



Daily Report

East Asia

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Singapore, Thai Ministers Address World Trade Congress

BK2504112596 Singapore Radio Corporation of Singapore in English 1000 GMT 25 Apr 96

[FBIS Transcribed Text] Trade and Industry Minister Yeo Cheow Tong says the World Trade Organization [WTO] must remain focussed on its core mission toward liberalized trade. He said this is the way the multilateral trading system can most effectively bring economic growth and wealth to the world.

Mr. Yeo made the call at the close of the World Trade Congress which was held in Singapore. He said there were differences among WTO members. Developed countries want issues like labor standards and corruption to be included in the first ministerial conference. Developing countries, on the other hand, fear these issues may be protectionist measures. So, Mr. Yeo has urged WTO members to find a middle path, one that will not only allay the fear of developing countries but also recognizes that the WTO has to adapt to changing circumstances.

To this end, Mr. Yeo called for a system to evaluate and address emerging issues within the WTO.

Earlier today, Thailand's deputy prime minister said the Southeast Asian region can be an enormous economic force and there is tremendous potential for the 10 regional countries to form a unified trade zone.

(Zheng Winggar) with more of Dr. Thaksin Chinnawat's speech.

[Begin recording] [(Zheng)] Dr. Thaksin said the region has abundant natural resources and is also strategically located. To maximize the potential, he said regional countries should work together on the development strategy.

[Thaksin] Success then calls for trust, understanding, collective efforts, as well as fair contribution and reciprocal privilege. Southeast Asia is destined to become a leading growth core of the world economy going into the next century.

[(Zheng)] Various economic growth triangles in the region are fast becoming commercially attractive. One example is the growth rectangle of southern China, Myanmar [Burma], Thailand, and Laos. Dr. Thaksin said initial problems that hinder business activities in these areas will lessen over time as the countries gain more experience. [end recording]

ASEAN Opposes Inclusion of 'Irrelevant Issues' at WTO

BK2604081096 Kuala Lumpur THE STAR in English 26 Apr 96

[Report by Harpajan Singh and P. Balakumar — received via Internet]

[FBIS Transcribed Text] Singapore — ASEAN economic ministers agreed yesterday to oppose any move to include irrelevant issues which can be detrimental to developing countries in the World Trade Organisation [WTO].

International Trade and Industry Minister Datuk Sri Rafidah Aziz said ASEAN did not want the WTO to be bogged down with external issues such as labour standards, social clauses, investment code, competition policy or corruption.

"We will ensure that the role of developing countries is not in any way diminished. We are prepared to see some discussion since there are other groupings which will raise them at the WTO ministerial session.

"But there will be no negotiation. Labour standards belong to the International Labour Organisation fora, not the WTO. The WTO ministerial should concentrate on commitments that were agreed to earlier.

"ASEAN does not want the December WTO ministerial to end up a statement of rhetorics but to be in essence a mechanism to remove unfair trade barriers and help developing countries overcome any problems they face in meeting WTO commitments."

Speaking to newsmen after addressing the congress during the ASEAN in the 21st Century session, Rafidah said there would be pressure from some countries to address such irrelevant issues.

"We will discuss and categorically define what is not connected to trade as irrelevant to WTO. We may agree to one or two things in investment rule or for transparency in procedures but national treatment guidelines are out."

Earlier, Rafidah told a dialogue that WTO rules must be fair and equitable and not favour the mighty and rich.

The first WTO ministerial conference will be held for five days from Dec 9.

Correspondent Reviews Conclusion of World Trade Congress

*BK2604084196 Singapore BUSINESS TIMES
in English 26 Apr 96*

[Report by Vikram Khanna in Singapore — received via Internet]

[FBIS Transcribed Text] After two hectic days at the World Trade Congress, a picture is beginning to emerge as to who will probably push for what at the inaugural Ministerial Conference of the WTO [World Trade Organization] here in December.

Everybody agrees that they should first take stock of what's been achieved since the Uruguay Round negotiations closed, and deal with any unfinished business.

That may sound unexciting, but it will nevertheless be of special interest to plenty of the 120-odd WTO members.

However, as the proceedings at the just-finished Congress suggest, a number of other members — particularly the developed countries — will want to move on swiftly to the so-called "new issues".

The candidates for inclusion here include:

- competition policy (or the rules governing monopolies and corporate structures within countries);
- rules on cross-border investment;
- trade in services and in information technology;
- labour standards;
- corruption.

There are differences in emphasis among rich countries on these issues.

For example, the US is more enthusiastic about bringing up competition policy and corruption than the others, while the EU is especially keen on investment rules.

Many developing countries, however, are less than comfortable about these issues, and some early salvos were heard at the Congress.

For example, several ASEAN ministers were sceptical about the relevance of labour standards and corruption to trade — (although as Malaysia's Minister for Interna-

tional Trade and Industry Rafidah Aziz said, they should participate in the discussions, because it would be folly to just sit on the sidelines and leave all the talking to developed countries).

And noting that "sometimes investment may not be development- friendly", India's Commerce Secretary Tejendra Khanna cautioned that the investment agreement being pushed for at the WTO was heavily loaded in favour of capital-rich countries and multinationals.

Similar sentiments will probably be heard from African and Latin American nations.

And then of course, two big shadows will loom over that meeting.

One is the accession of China to the WTO.

It was apparent over the last two days that this is still a bitterly contested issue.

From the Chinese side, the president of CITIC [China International Trust and Investment Corporation], Qin Xiao complained that "certain contracting parties...have insisted on attaching political strings to economic issues and have raised excessive demands."

And speaking for the US, Deputy Trade Representative Jeffrey Lang insisted that China must enter the WTO "only on commercially viable terms".

The country has not reformed enough to gain entry, he said.

That debate will almost certainly still be going, come December.

The other big shadow is regionalism. Everybody seems to want it, but everybody is also aware of its dangers and so wants to strengthen the multilateral system as well.

Can they do both?

And how will all those other thorny issues be dealt with?

In his closing address to the Congress yesterday, Trade and Industry Minister Yeo Cheow Tong gave the answer: "We will have to find a middle way." What a challenge that will be.

Tokyo Reaches Accords With Asia-Pacific Monetary Officials

OW2504095496 Tokyo KYODO in English
0810 GMT 25 Apr 96

[FBIS Transcribed Text] Tokyo, April 25 KYODO — Japan has reached agreements with monetary authorities in the Asia-Pacific region for mutual provision of dollar funds using U.S. Government bonds as collateral, the Ministry of Finance (MOF) and the Bank of Japan (BOJ) said Thursday.

The repo, or bond repurchase, agreements with Australia, Hong Kong, Malaysia, Indonesia, the Philippines, Singapore and Thailand are aimed to protect currencies in the region from speculative moves, MOF and BOJ officials said.

As the fast-growing Asian region is attracting a massive inflow of funds, regional economies are exposed to possible currency crises similar to the one that hit Mexico at the end of 1994.

In addition to a market-intervention agreement, the Finance Ministry concluded an accord in February with monetary authorities in Singapore and Hong Kong to work together to stabilize the yen-dollar exchange rate. The latest accords further strengthen the region's currency protection system, the officials said.

ASEAN Labor Rejects Linking Social Issues to Trade

BK2604054596 Bangkok BANGKOK POST
in English 26 Apr 96 p 3

[Report by Withamon Phongphairot and Nutsara Thaithawat in Bangkok]

[FBIS Transcribed Text] Labour ministers from member countries of the Association of Southeast Asian Nations took a strong line yesterday in the face of attempts by developed countries to link social issues to international trade.

The ministers described as "aggressive" and "protectionist" the threats from some quarters to cease trading with those ASEAN countries which allegedly exploit children and women in the labour force.

Speaking at the opening of the two-day 11th ASEAN Labour Ministers' Meeting, the ministers made clear they felt the threats represented interference in the internal affairs of ASEAN countries.

"There's no logic (to the linking of social issues and trade) and it will defeat the purpose of free trade," said Leonardo A. Quisumbing, labour and employment secretary of the Philippines.

"That's an act of aggression. They're pushing us very hard," Quisumbing said.

Of the rich countries that have threatened not to trade with ASEAN countries, which they say exploit child and female labour, he said these countries were "afraid of competition".

Indonesian Manpower Minister Abdul Latief said developed countries should not impose their standards on others.

"They have to respect our institutions," he said. "Their standards are so high."

He pointed out that member countries of ASEAN were developing countries progressing from agrarian to industrial economies.

Thailand's labour minister Prasong Bunphong said the attempts by Western countries to press the issue were "unfair."

And ASEAN secretary-general Dato Ajit Singh said:

"ASEAN has always taken a strong position on the issue. We think it's a form of protectionism. We don't like social issues to be linked to trade. It's a pressure on ASEAN and an obstacle to our development."

Similar remarks were made by ministers from Brunei, Malaysia, Singapore and Vietnam.

ASEAN claims the threats are an attempt by certain developed countries to block access to their markets.

For their part, the developed countries (mainly European) claim that their purpose is to promote higher labour standards and protect human rights.

Dato Ajit Singh said the issue was a matter of concern not only to labour ministers but to foreign and economic ministers as well.

Two years ago, ASEAN only expressed concern, but this year it appears to have a clear and united stance on the issue.

Dato Ajit Singh said ASEAN was not opposed to discussion of labour standards. But such a discussion should take place at an appropriate forum — the International Labour Organisation and it should be "constructive".

He said ASEAN would lobby other developing countries to take a strong line at the annual meeting of the International Labour Organisation in Geneva in June.

Prasong expects ASEAN to gain momentum for its side of the argument now that Thailand has won a permanent seat on the ILO's governing body.

He said Thailand would be able to represent developing countries in pressing for a softer Western stance on the issue at the forthcoming ILO meeting.

Mitsuko Horiuchi, ILO assistant director-general for Asia and the Pacific, said the debate about "social clauses" in ASEAN demonstrated that ILO standards were more relevant in the region than ever before.

She said ILO was ready to help ASEAN members.

The ASEAN Labour Ministers' Meeting is held once every two years to explore cooperation in labour issues among ASEAN countries.

On the agenda yesterday was a review of the progress made from the 10th ministerial on five key projects: the ASEAN project proposal on the promotion of self-employment and development of the informal sector, the ASEAN project on training and information centre for the improvement of working conditions and environment, a programme on industrial relations, a project on human resources, and ASEAN technical cooperation with developing countries.

The meeting was inaugurated by deputy PM Chawalit Yongchaiyut. During his opening remarks, he stressed the need for skills and human resources development if the region is to cope with high technology and the new wave of world economic developments.

"The emphasis on human resources development and the cooperation on employment within the region must continue," he said.

Tran Dinh Hoan, Vietnam's Minister of Labour, Invalids and Social Affairs, showed enthusiasm for joining.

He said Vietnam was keen to share experience with other ASEAN countries, especially in employment provision and training, in order to apply them to Vietnam's ongoing reforms.

Indonesia's AFTA Tariff Stance Seen as 'Setback'

*BK2404053096 Bangkok THE NATION in English
24 Apr 96 p A1, A3*

[Report by Wichit Chaitrong]

[FBIS Transcribed Text] Singapore — Indonesia has strongly suggested a 10-year delay in the liberalisation of unprocessed agricultural products under the Asean Free Trade Area (Afta) a move which Thai delegates see as a setback in the tariff reduction scheme.

Indonesia wanted the deadline moved from 2010 to 2020.

Malaysia has also opposed the tariff cut for import of products on the sensitive list to 0.5 per cent, while the

Philippines refused to accept the proposal to include rice in the tariff reduction scheme.

Their positions were revealed yesterday at the Asean Economic Senior Officials meeting in Singapore, convened to prepare for the Afta Council and Asean Economic Ministers Meeting, scheduled for April 96 to 28.

The Association of Southeast Asian Nations comprises Thailand, Malaysia, the Philippines, Singapore, Brunei, Indonesia and Vietnam.

Indonesia proposed liberalisation be completed in 2020, the year that members of the Asia-Pacific Economic Cooperation agreed to liberalise trade and services.

Thai delegates said members of Afta should instead accelerate trade liberalisation to complete that task ahead of the deadlines set by Apec and the World Trade Organisation.

The positions of Indonesia, Malaysia and the Philippines have largely upset Thai delegates, who pushed hard for liberalisation of unprocessed farm products by the year 2010, said Charin Hansupsai, deputy director general of the Business Economic Department.

"Indonesia's objection to the liberalisation of unprocessed farm products (in 2010) is a radical position," he said.

Moreover, Indonesia insisted rice and sugar also be liberalised in 2020, a move which would run counter to the earlier Afta Council agreement that the target year be 2010, he noted.

Asean senior Agriculture and Forestry officials, who met recently in Jakarta, could not finalise farm product liberalisation. The issue will now be decided by the Asean ministers, Charin said.

"We, the Asean senior Economic officials, could not make a decision on the issue. It will be forwarded to the Afta Council on April 26," he said.

Originally, the tariff-reduction scheme covered only manufactured and processed farm products, and tariffs would be cut to 0.5 per cent by the year 2003.

However, in an effort to expand economic cooperation, Asean countries in August 1994 agreed to extend the coverage to unprocessed farm products. Talks have been held to address the conflicting reactions of members over the issue.

Charin admitted that opening the Asean rice market was a political issue, especially in Indonesia and the Philippines, and therefore it was difficult for Thailand, the world's largest rice exporter, to push others to open up. In 1995, Asean members agreed that liberalisation

of sensitive farm products should be completed to no later than 2010. The products were later divided into two lists: sensitive and highly sensitive.

Thailand, Malaysia and Brunei agreed that tariff reduction for products on the sensitive list should begin in 2001 and end 2010. Indonesia and the Philippines want the process to begin in 2003. For "highly sensitive" products such as rice and sugar, Indonesia proposed beginning the liberalisation process in 2010 for completion in 2020.

APEC Asked To Assist WTO in 'Liberalizing Global Trade'

*BK2504024596 Manila BUSINESS WORLD
in English 25 Apr 96*

[Report by Paul N. Villegas — received via Internet]

[FBIS Transcribed Text] While the leadership of the Asia Pacific Economic Cooperation (APEC) forum can strengthen the efforts of the World Trade Organization

(WTO) in liberalizing global trade, it must also take into account the "real concerns" of the private sector and facilitate the participation of developing economies in the multilateral trading system.

The Pacific Economic Cooperation Council (PECC), a think tank, which enjoys observer status in APEC, said the grouping's leadership must reflect the private sector's views on the obstacles which hamper international trade and investment, especially those which arise from the different commercial policy approaches being pursued by economies in the region. "Differences in, or lack of transparency of, domestic regulatory and administrative systems or product standards add greatly to the costs of international commerce," PECC said in a statement. PECC said efforts by the WTO and other regional groupings such as APEC to create a freer trading environment are being challenged by new trade policy issues, such as the relationship between trade and investment, the environment, and competition policy.

Japan

Japan: Court Accepts 'All Demands' by U.S. Base Landowner

OW2604125996 Tokyo KYODO in English
1234 GMT 26 Apr 96

[FBIS Transcribed Text] Naha, Japan, April 26 KYODO — The central government agreed Friday [26 April] to allow an Okinawa landowner to enter onto his property located within land occupied by a U.S. military facility after reaching a compromise over the issue in a local court.

In a fifth round of court-mediated negotiations at the Naha District Court, representatives of the central government said they would accept all demands filed by Shoichi Chibana, a 47-year-old grocer, such as the number of people who would enter the land, Chibana's lawyers said.

In earlier negotiations, Chibana called on the central government to allow him and other people concerned to enter his 236-square-meter plot of land within the grounds occupied by the Sobe military communications facility in Okinawa Prefecture, southwestern Japan.

Chibana said he would limit the number of people entering the land to 30 or less on each of two occasions, one for holding a memorial service for his uncle who used to live in the land in question and died during World War II, and another for surveying the land.

Chibana filed a lawsuit with the district court demanding access to and return of the land after a lease on the plot expired at the end of last month. He dropped the latter request Wednesday.

Upon hearing the news that the central government had accepted his demands, Chibana, who was in Tokyo to give a speech at a university, said, "I am happy, but the government's attitude was like that of a thief who returns what he has stolen in small doses."

"I don't consider it a compromise...[ellipses as received] It has been a request which ought to have been granted from the beginning," he said.

Since the forced lease contract expired at the end of March, the government has been continuing to rent it to the U.S. Forces without any clear legal basis, saying Japan has an obligation to provide land to the U.S. Forces under bilateral security arrangements.

The government failed to renew the contract before it expired because Okinawa Gov. Masahide Ota refused to sign necessary documents in the wake of the rape last September of an Okinawa girl for which three U.S. servicemen were sentenced to prison terms.

Japan: Government Decides To Seek Diet Approval on ACSA

OW2604010296 Tokyo KYODO in English
0026 GMT 26 Apr 96

[FBIS Transcribed Text] Tokyo, April 26 KYODO — The government decided Friday [26 April] at a cabinet meeting to submit to the Diet a pact on the mutual supply of military goods and service with the United States along with a related bill to revise the self-defense forces law, government officials said.

On April 15 the two countries sealed the pact, known as the Acquisition and Cross-Servicing Agreement (ACSA), during bilateral ministerial-level security talks.

The bilateral agreement covers 15 items Japan would offer the U.S. military in the course of joint training, such as food, water, fuel, clothing, spare parts and components, transportation, repair work and maintenance.

It is limited to peacetime joint exercises, U.N. peace-keeping operations and international humanitarian relief activities. It does not cover emergency situations.

As to the accord, Chief Cabinet Secretary Seiroku Kajiyama, the chief government spokesman, said Japan should study the extent to which the agreement can be applied.

The government does not regard joint exercises, humanitarian assistance missions and U.N. peacekeeping operations as emergencies, he said.

In case Japan is attacked, its self-defense forces and U.S. forces will cooperate to deal with the emergency under the bilateral security arrangements, Kajiyama told a press conference.

Tokyo should study the feasibility of applying the ACSA in other uncertain cases, he said.

Japan: Poll Shows 70 Percent of People Approve Return of U.S. Bases

OW2604051096 Tokyo YOMIURI SHIMBUN
in Japanese 24 Apr 96 Morning Edition p 1

[FBIS Translated Text] About 70 percent of the people approve of the decision on returning U.S. military facilities in Okinawa, including Air Station Futenma, and about 50 percent approve of the decision to study Japan's defense cooperation with the United States. This was disclosed by a nationwide opinion poll conducted by YOMIURI SHIMBUN on 20 and 21 April. The outcome also indicates a slight increase in the ratio of respondents who regard the Japan-U.S. security arrangement as "instrumental," compared to last year.

In addition, it has also become clear that a majority of the people speak positively about the Japan-U.S. accord reached on various issues connected with the Japan-U.S. security treaty, including the "reconfirmation" issue.

With regard to the accord on returning U.S. military facilities in Okinawa, a total of 69 percent of respondents answered that they "approved of," "speak highly of," or "approve to a certain extent of" the accord, almost three times the ratio of respondents who "disapprove of" the decision, which stands at 23 percent.

As for the decision to relocate to other parts of Japan part of the functions of those facilities to be returned, over a half of respondents approve of it, with 5 percent saying that "it is just a matter of course," and 49 percent saying that "it cannot be helped." However, 36 percent responded that the decision is "unconvincing."

Moreover, Japan and the United States have reached an accord on not only revising "guidelines for Japan-U.S. defense cooperation" in case of a foreign attack against Japan but also on studying possible cooperation between the Self-Defense Forces and the U.S. forces in case of an emergency in the Far East. Concerning this point, 49 percent expressed their "approval," surpassing the 38 percent of respondents who answered "in the negative." As for the question of seeking further strengthened defense cooperation between our two countries, the outcome indicates that many people favor positive efforts in this concern.

Japan: Aum Reportedly Targeted White House, Pentagon

OW2604031896 Tokyo AERA in Japanese 29 Apr 96 pp 6-8

[Article by AERA staff writer Keiko Ihara: "Emperor, Pentagon Were Among Targets of Aum Cult Attack; Asahara Himself Went Spraying Anthrax Germs in Tokyo"]

[FBIS Translated Text] A group of young men — some bald-headed like Buddhist monks, some bearded, but all intense and serious — were viewing the video together, taking notes. What they were watching was the videotaped movie "Terminator" starring Arnold Schwarzenegger. Among those viewing it were Tomomitsu Niimi, "home minister" of the Aum Shinrikyo cult, and Yoshihiro Inoue, head of the cult's "Information Ministry."

That was the scene supposedly witnessed at a hideout, called satian by the cult, at Kamikuishiki-mura, Yamanashi Prefecture, about two years ago.

But these cult followers were not viewing the tape to take a break from their rigorous life of "religious learning" and to enjoy the pleasures of life for a while.

Clues Are Sealed Up

They were there because of a frightful plan. Their purpose of viewing the movie was to learn from it ways of getting into the White House and the Pentagon in the United States on a mission to attack them with sarin and VX gas. They had to drop the plan in the end only because they had failed to produce these toxic gas weapons in time.

Though difficult to believe the movie "Terminator" could be really of any help for such a purpose, this is supposedly an eyewitness account of a cult follower.

Besides, Tomomasa Nakagawa, head of the cult's palace secretariat, together with members of the cult's "Science and Technology Ministry" including Kazuyoshi Takizawa, are alleged to have planned to assassinate Emperor Akihito, and this information is said to be treated as top secret by investigative authorities with all the evidence materials relating to it supposedly sealed and locked up tight. The cult used to charge and criticize the emperor as a "puppet of Freemasons" in the cult's own newspaper.

What were the real objectives of the plans and ambitions of cult leader Shoko Asahara?

The cult's arms buildup plan consisted of producing at least the following five types of weapons: 1) Toxic gas such as sarin and VX gas; 2) explosives; 3) germ warfare weapons; 4) automatic rifles, and 5) laser weapons.

In developing and producing these weapons, the group had to rely on technology imported from Russia. But business firms at home and abroad came to be involved in it, though not intentionally.

Botulinus Bombs Also Dropped

First, sarin. At the trial on the cult's sarin attacks in Tokyo subways and Matsumoto City, the prosecution in its opening statements described how this material was produced by the cult.

Masami Tsuchiya succeeded in synthesizing it within three months after receiving an order on it from leader Asahara.

According to chemical specialists, even chemists of undergraduate college education can synthesize it in a laboratory. But if it comes to production in a practical scale, it cannot be done without the support of plant

engineering experts. The Aum cult in fact appears to have had many problems in this regard.

As the chemists of the group could not procure phosphorus pentachloride in a large quantity, they decided to produce this on their own by having phosphorus trichloride react with chlorine. But they needed a new plant to produce chlorine by electrolysis. They also had to run around trying to procure materials like fluoric resins. They wanted to fabricate electrolysis tanks themselves, but needed an outside firm's advice to do it. Then they found their reactors were vulnerable to corrosion, so they had to hurry and procure expensive Hastelloy plates in order to rebuild the reactors. The prosecution's opening statements revealed what trials and errors they went through, trying to get the things ready in a hurry.

According to investigative authorities, the Aum cult spent 347 million yen to buy chemicals and other materials and 136 million yen to buy machinery equipment.

The court trials of the cult have also revealed that the cult had planned to build a plant for production of explosives. The group is alleged to have planned to set up a dummy company through which to procure a large quantity of glycerin and to mass-produce nitroglycerine and nitrocellulose by setting up a plant in their No. 2 Satian. The cult is said to have sent a mission to Russia to survey a production plant in operation there.

The cult began developing bacterial warfare weapons like botulinus and anthrax germ bombs before starting to develop other weapons — in the spring of 1989, which was about a half year before it committed the crime of killing the family of lawyer Sakamoto. Seiichi Endo, the cult's "welfare minister," was in charge of the program to produce these bacterial weapons.

The Aum cult appears to have intended to attack major government offices in Tokyo as early as 1993. An investigative agency official said Asahara himself, along with Endo, in October and November went around in a car spraying botulinus germs around the royal palace building, the government office town of Kasumigaseki, and the U.S. military base in Yokosuka. According to the official, other members of the cult went around spraying anthrax germs in the neighborhood of Soka Gakkai buildings in Shinano-machi, Tokyo, at about the same time, though no injury was caused in either of the cases.

The cult members started to work on the project of producing automatic rifles at the cult's Seiryu Shoja building at Tomizawa-cho, Yamanashi Prefecture, in the spring of 1994, based on diagrams and real AK-47 rifles Hayakawa and other leading members of the cult had brought from Russia in February 1993. Hideo

Murai and Kazumi Watanabe were put in charge of buying and installing the necessary machinery for the project, and later when Watanabe became busy with sarin production, his job was taken over by Kenichi Hirose. By December 1994, one model of the automatic rifle had been produced, and the cult was ready to go into mass production.

Serious About Overthrowing the Government

From all of these things, one gets the feeling that this group in fact intended to overthrow the government, rather than try to stage a drama as a way of verifying Asahara's apocalypse.

Kazuo Kawakami, lawyer and former head of the Tokyo District Public Prosecutors Office's Special Investigative Department, said:

"This is a case of a high treason. Inasmuch as their actions can affect other countries, they need to be dealt with promptly. Otherwise, the world will laugh at us."

A high treason means a crime of committing violence with the intention of overthrowing a state. Actually, among the papers seized by the investigative authorities from the Aum cult were a note by Kiyohide Hayakawa entitled "November War," and "Draft Constitution of the Aum Empire."

For prosecutors, there could be merit in applying the crime of high treason in the trials since that will enable them to round up all the suspects involved at the same time and enable them to start the court trial process at a high court rather than a district court, thus speeding up the whole trial process.

But the high treason is a charge that has never been applied in Japan. Some dietmen of the Liberal Democratic Party (LDP) had insisted in the Diet that the high treason charge should be applied in this case, but Prime Minister Tomiichi Murayama was more cautious about it, saying, "the ordinary legal procedures should be good enough to deal with the case."

Eventually, the prosecutors decided to handle it as a criminal case of manslaughter and other charges. Since the prosecution had such hard evidence as the Hayakawa note, a systematic sarin mass production plan, a plan to produce rifles, and "the draft constitution of the Aum empire," it was first thought that the prosecution would use the evidence to prove the cult had a political scheme.

Lawyer Kawakami gave his view on why the prosecution did not choose that alternative: "In case of high treason, punishment for culprits is confinement and not imprisonment. The crime of high treason is considered a sort of honorable crime committed by people of ideological differences who want to overthrow a government

out of patriotic belief. The prosecution authorities probably did not want to treat as 'patriots' the people of the Aum cult, a group whose intentions did not make any sense at all."

The Aum cult's maniacal plan was a "dangerous one," but was carried out by a group of assigned followers with special knowledge and technologies who belonged to its "Science and Technology Ministry."

Trials have brought many followers of the cult to court, and verdicts of guilty have been handed out to nearly 100 defendants. But still it is doubtful if the trials have uncovered and brought out to the open all the facts about what this cult has done.

We will never know all about them until defendant Chizuo Matsumoto, alias Shoko Asahara, speaks out.

Defendant Asahara will be brought to court this week. We can say the trials on the Aum Shinrikyo cult are now coming to a climax.

Japan: JAL Applies for Hiroshima-Honolulu Air Route

OW2604114096 Tokyo KYODO in English
1032 GMT 26 Apr 96

[FBIS Transcribed Text] Tokyo, April 26 KYODO — Japan Airlines (JAL) made an application Friday [26 April] to the Transport Ministry for permission to begin a regular flight service between Hiroshima and Honolulu, company officials said.

If approved, JAL will operate one round-trip flight a week between the two cities from July 4, the officials said.

JAL expects a steady number of passengers on the route, given that many Japanese from western Japan settled in Hawaii, they said.

Japan: Hashimoto Thanks Palau for Backing Security Council Bid

OW2604064896 Tokyo KYODO in English
0641 GMT 26 Apr 96

[FBIS Transcribed Text] Tokyo, April 26 KYODO — Prime Minister Ryutaro Hashimoto on Friday [26 April] thanked Palau President Kunio Nakamura [name as received] for the Micronesian country's support for Japan's bid for permanent membership of the U.N. Security Council, a foreign ministry official said.

In a meeting at Hashimoto's official residence, the prime minister also thanked Palau for cooperating in the collection of the remains of Japanese war dead in the country despite Japan's invasion there during World War II, the official said.

Nakamura, of Japanese descent, thanked Japan for its economic aid and urged it to continue to help. Hashimoto was quoted as saying Japan would do what it could.

Palau, with a population of 20,000, became independent in October 1994.

Japan: Cabinet Members Trips Abroad From 27 Apr-6 May Outlined

OW2604102096 Tokyo KYODO in English
0907 GMT 26 Apr 96

[FBIS Transcribed Text] Tokyo, April 26 KYODO — Eight of the 21 members of Prime Minister Ryutaro Hashimoto's cabinet will go abroad during the "Golden Week" holiday season between Saturday [27 April] and May 6, government officials said Friday.

Foreign Minister Yukihiko Ikeda will leave Saturday for a trip through May 5 to attend a Japan-European ministerial gathering in Belgium and a General Assembly in South Africa of the U.N. Conference on Trade and Development. He will also hold a meeting with Turkish Foreign Minister Emre Gonensay [name and title as received] in Turkey.

International Trade and Industry Minister Shumpei Tsukahara and Economic Planning Agency Director General Shusei Tanaka will be on a trip from Saturday to Tuesday to attend the Japan-European ministerial meeting in Belgium. Tanaka will also visit Britain.

Defense Agency Director General Hideo Usui will visit Russia from Saturday to Tuesday to meet Russian Defense Minister Pavel Grachev.

Education Minister Mikio Okuda will visit China on May 3-5 to confer with officials in charge of education.

Construction Minister Eiichi Nakao will visit Australia on May 2-6 for a bilateral meeting of ministers in charge of infrastructure.

Science and Technology Agency Director General Hidenao Nakagawa will visit the United States from Tuesday to May 5 to attend a Japan-U.S. Joint Committee meeting on technology cooperation.

Environment Agency Director General Sukio Iwatare will visit the U.S. on May 2-6 for a meeting of the U.N. Commission on Sustainable Development.

It has become almost a rule for the premier, too, to go abroad during the period, but Hashimoto will skip a foreign trip this time because of delayed budget discussions at the Diet, government officials said.

**Japan: PRC 'Source' Says African Nations
'Leaning Toward' Taiwan**

OW2604033496 Tokyo ASAHI SHIMBUN
in Japanese 24 Apr 96 Morning Edition p 3

[By Michiyoshi Igarashi]

[FBIS Translated Text] Beijing, 23 Apr — On 23 April, the Chinese [PRC] Foreign Ministry announced President Jiang Zemin will visit six African nations for two weeks starting on 8 May. In the African region, 10 nations including South Africa recognize Taiwan, and the number is expected to further expand. The PRC Government is very concerned about the trend, and President Jiang Zemin decided to visit Africa by himself for the first time.

During the tour, President Jiang plans to stop by Kenya, Ethiopia, Egypt, Mali, Namibia, and Zimbabwe.

A PRC Government source said the government once planned to let the president visit more than 10 African nations, but it was too difficult to adjust the schedule of the president. According to the source, the government is now planning to dispatch Premier Li Peng to nations not to be covered by the presidential visit.

Among African nations, Gambia and Senegal have recently recognized Taiwan instead of the PRC Government. An informed source in Beijing said several other nations are leaning toward recognition of Taiwan. On the other hand, the PRC is working upon South Africa to desert Taiwan. Diplomatic struggle between the PRC and Taiwan is becoming hot in Africa.

Japan: Tokyo, Jakarta Auto Talks Slated for 26-27 Apr

OW2504073896 Tokyo KYODO in English
0704 GMT 25 Apr 96

[FBIS Transcribed Text] Tokyo, April 25 KYODO — Japan and Indonesia will hold working-level talks Friday [26 April] and Saturday to discuss Jakarta's new program to develop a "national car," the vice minister at the Ministry of International Trade and Industry (MITI) said Thursday.

"Both sides will explain their positions and exchange opinions," vice MITI Minister Tomio Tsutsumi said at a news conference. He declined to predict how the talks will proceed.

Under the new program, Indonesia is to award import duty and luxury sales tax exemptions to cars that satisfy local contents requirements and are developed with local technology.

Japan argues that the scheme could run counter to the World Trade Organization's agreement on trade-related

investment measures, which prohibit the use of local contents requirements and other measures that violate national treatment principles.

MITI Minister Shumpei Tsukahara and Indonesia's Industry Minister Tungki Ariwibowo had agreed to hold working-level talks on the matter when they met in Japan earlier this month.

Tsutsumi said the two countries have yet to decide what will follow the working-level talks.

At the moment, PT Putra Nasional, an automaker controlled by Hutomo Mandala Putra, President Suharto's youngest son, is the only company expected to qualify for national car privileges. It is owned 30 percent by Kia Motors Corp. of South Korea.

Toyota Motor Corp. and other Japanese automakers, which have heavily invested in Indonesia and have enjoyed a dominant presence in the local market, are concerned that the program could deal a heavy blow to them, industry sources said.

Japan: JETRO Survey Shows Condition in Europe Improving

OW2504102896 Tokyo KYODO in English
0857 GMT 25 Apr 96

[FBIS Transcribed Text] Tokyo, April 25 KYODO — The number of Japanese-affiliated manufacturers responding to a survey that operated in Europe in 1995 increased by 36 to 727 companies, the first rise in six years, the Japan External Trade Organization (Jetro) said Thursday [25 April].

The increase included 11 new firms in Britain, six in France, five in the Netherlands, four in Italy and three each in Germany and Ireland, the semi-governmental organization said.

Jetro surveyed 727 manufacturers with at least 10 percent Japanese ownership operating in the 15 European Union (EU) countries plus Iceland, Switzerland and Norway, and received replies from 437 of them.

In the findings of the survey, the 12th of its kind dating back to 1983, 44.0 percent of the respondents believe that operating conditions in Europe have improved since the 1980s. Specifically, 30.3 percent cited lower personnel costs and 22.9 percent mentioned improved conditions for purchasing parts, Jetro said.

But 39.5 percent called for better taxation systems in Europe, while 37.8 percent complained about high costs.

Japan: 'Grassroots' Grants-in-Aid in FY95 Hit 'All-Time High'

OW2504132796 Tokyo KYODO in English
1252 GMT 25 Apr 96

[FBIS Transcribed Text] Tokyo, April 25 KYODO — Japan's small-scale "grassroots" grants-in-aid totaled an all-time high of 2.9 billion yen in fiscal 1995 ended March 31, up about 100 percent from the year before, the Foreign Ministry said Thursday [25 April].

During the period, Tokyo extended the aid to 71 countries and one region to finance 707 projects, including projects associated with nongovernmental organizations (NGOs), both record high figures, the ministry said.

It paid out 38.5 percent of the aid for projects in educational and research fields, 30.4 percent in insurance and medical fields, and 23.5 percent in public welfare and environmental fields, it said.

Of the 1,145.2 billion yen budget for foreign aid in the current fiscal 1996, Tokyo has set aside 4.5 billion yen for grassroots grants, up 50 percent, to help meet a variety of local demands and promote cooperation with NGOs.

The amount of such aid has increased 10-fold over the 300 million yen allocated in 1989, when Tokyo introduced the category for the first time.

Japan: Tokyo Pledges To Promote Mergers by Foreign Firms

OW2604023896 Tokyo KYODO in English
0217 GMT 26 Apr 96

[FBIS Transcribed Text] Tokyo, April 26 KYODO — The Japanese Government released an official statement Friday [26 April] pledging to expedite mergers and acquisitions (M and A) of Japanese companies by foreign corporations.

The statement adopted by cabinet ministers said the government "will not withhold any efforts to activate" M and A. It is the first time the Japanese Government has issued a statement encouraging M and A.

The statement said Japanese companies must accept radical changes in their relationships with foreign counterparts to prevent them losing international competitiveness. It also cited a need to stave off industrial hollowing-out, in which a strong yen causes Japanese firms to move their production bases offshore, resulting in increased joblessness in Japan.

Mergers with and acquisitions by foreign companies would help smaller Japanese companies obtain fresh capital and advanced technologies, it said.

Such mergers and acquisitions would also help create job opportunities and help the Japanese business community coexist more harmoniously with the international business community, it said.

The cabinet endorsed a string of measures to promote such M and A, including establishment of a new lending facility at Japan Development Bank, government officials said.

The facility will provide loans to foreign corporations that acquired or merged with Japanese companies to help them build new production facilities in Japan, according to another government document detailing measures to promote M and A.

The government will also create contact points to act as intermediaries to facilitate such corporate activities, the document says.

It also urges Japanese firms to make their business practices more consistent with those of the international business community, suggesting they rethink cross-shareholdings among affiliated group companies and place more emphasis on the interests of shareholders.

M and A of foreign companies by Japanese firms totaled 212 cases in 1995, against 52 by foreign firms of Japanese companies.

The United States has been urging Japan to take steps to reduce this lopsided imbalance in discussions at Japan-U.S. framework trade talks.

Japan: Keidanren's Toyoda Assesses Revised Deregulation Plan

OW2604020196 (Internet) Keidanren WWW
in Japanese 29 Mar 96

[Comment by Shoichiro Toyoda, chairman of Japan Federation of Economic Organizations; from the "News" link]

[FBIS Translated Text] 1. I would like to express my gratitude from the bottom of my heart to the government, the ruling parties, the administrative reform committee, and other people concerned who devoted their energies [for preparation of the revised deregulation promotion plan] in response to the opinions of the Administrative Reform Council as well as the opinions and requests at home and abroad.

2. The contents of the revised plan are a significant improvement over the interim reports of each ministry and agency. We can positively assess the fact that the revised plan launches bold deregulation measures; notably in such areas as housing, land, information and communications, finance, and securities.

3. We hope that the government will hurriedly study the pending issues — including measures for encouraging competition, distribution, and labor — while steadily implementing the revised plan. At the same time, we also hope the government deepens the understanding of the people on deregulation by disclosing the impact of its deregulation measures objectively and plainly.

4. The revised plan includes measures that are not necessarily clear. We strongly hope the administrative reform committee keeps watch on the progress of implementing the plan and, if necessary, gives advice to the government. We also hope that the committee will make a fundamental review of the system, including basic and business law, by emphatically taking up economic activities — including financing, security, transportation, agriculture, medical service — and other areas that are fundamental to the people's lives for discussions without confining their study to the matter of issuing licenses and permits.

Japan: Trading Houses Post Rise in Import Contracts

*OW2604075096 Tokyo KYODO in English
0731 GMT 26 Apr 96*

[FBIS Transcribed Text] Tokyo, April 26 KYODO — Import contracts concluded by 19 big Japanese trading houses in fiscal 1995 waged the first rise in five years by climbing 2.4 percent to 13.02 trillion yen, an industry organization said Friday [26 April].

The Japan Foreign Trade Council traced the upturn mainly to the increases in the prices of a huge amount of crude oil Japan imported.

Other key factors that have contributed to the overall import raise were spirited food imports and the upsurge in the imports of machines made by the overseas factories of Japanese companies, the council said.

Meanwhile, export contracts dropped 3.1 percent in the 12-month period that ended March 31 to 11.67 trillion yen, marking the fifth consecutive yearly fall, it said.

The council linked the overall export fall to the yen's sustained strength against other currencies, which it said eroded the competitiveness of key Japanese products such as automobiles, ships and plants.

In March alone, exports by the 19 major trading houses increased 1.8 percent over a year before to 2.09 trillion yen, it said.

Their combined imports increased 3.0 percent to 1.83 trillion yen, it said.

Japan: MOF Chief Considers Not Accepting Major Bank Staff

*OW2604044796 Tokyo KYODO in English
0420 GMT 26 Apr 96*

[FBIS Transcribed Text] Tokyo, April 26 KYODO — Finance Minister Wataru Kubo said Friday [26 April] his ministry is considering stopping acceptance of transferees from major commercial banks in a bid to avert criticism over what are seen as cozy ties between the ministry and the banking industry.

Kubo said at a House of Councillors budget committee meeting, "we will stop appointment (for ministry's positions) from related financial institutions for the time being."

Banking officials had better straighten themselves out in their relationship with the finance ministry, Kubo said.

According to the ministry's file unveiled Wednesday, it accepted a total of 53 transferees from 21 major commercial banks between 1986 and 1995. Seventeen of these banks sent four to seven staff a year mainly to the ministry's International Finance Bureau that supervises foreign exchange and other international banking operations, the file showed.

For transferees currently employed as bureaucrats for the ministry, Kubo said they will continue working for the ministry until their transfer period expires.

"It is troublesome to withdraw immediately those who are now occupying such posts," Kubo said.

Japan: Daily Says Possible Change in BOJ's Monetary Policy

*OW2504234496 Tokyo KYODO in English
2324 GMT 25 Apr 96*

[FBIS Transcribed Text] Tokyo, April 26 KYODO — Japan's central bank has started weighing the possibility of altering its policy as early as next month of keeping interest rates at low levels, a national daily reported Friday [26 April].

The policy shift may be delayed into June, however, depending on economic conditions, the ASAHI SHIMBUN said.

The paper said the Bank of Japan (BOJ) is studying the possibility of raising its official discount rate charged on loans to commercial banks, prompted by growing prospects that the nation's economic activity will steadily move on a recovery path.

The discount rate, a pacesetter for interest rates in general, now stands at a record low 0.5 percent per

annum. The key rate was cut to the present level in September last year, the ninth reduction since July 1991.

The central bank has maintained an accommodative monetary stance to spur an economic pickup.

But the bank now believes that the economy is moving on a gradual recovery track, underpinned in large part by greater public investment. The bank is brushing aside concerns among private economists that the economy may lose steam this fall, the daily said.

The bank of Japan also observes that corporate capital spending will become buoyant in the months ahead and that consumer spending will regain its strength due to a moderate improvement in employment, according to the paper.

The economy thus appears likely to show a self-sustained recovery even if the central bank discontinues nudging interest rates lower, the BOJ was cited as analyzing.

The central bank was also encouraged by the steady performance of Tokyo stocks and a weakening yen against the U.S. dollar, as well as by active write-offs of bad loans at major commercial banks, the paper said.

In the present circumstances, the BOJ may tolerate a rise of around 0.25 percentage point in the unsecured overnight call money rate above the official discount rate, according to the paper. The unsecured overnight call money rate is viewed as a key rate reflecting the central bank's policy intentions.

Japan: Tanaka Says Basically 'No Change' in Monetary Policy

OW2604033596 Tokyo KYODO in English
0156 GMT 26 Apr 96

[FBIS Transcribed Text] Tokyo, April 26 KYODO — Japan's chief economic planner Shusei Tanaka said Friday [26 April] there will be basically no change in the nation's monetary policy of keeping interest rates at low levels.

"Official remarks (recently made) by Bank of Japan officials indicate no change (in monetary policy)," said Tanaka, director general of the Economic Planning Agency, at a news conference after a regular cabinet meeting. "My understanding is that the undertone of such a policy will stay intact."

He made the remarks when asked by reporters about a newspaper report Friday morning that the central bank has started weighing the possibility of altering its monetary policy as early as next month.

The ASAHI SHIMBUN said the bank of Japan is studying the possibility of raising its official discount

rate charged on loans to commercial banks, prompted by growing prospects that the Japanese economic activity will move steadily along a recovery path.

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The central bank has maintained an accommodative monetary stance to spur an economic pickup.

But the bank now believes the economy is on a gradual recovery track, supported in large part by greater public investment. The bank is brushing aside concerns among private economists that the economy may lose steam this fall, the daily said.

Japan: Tokai Bank Completes Bad Loan Write-Offs

OW2604114296 Tokyo KYODO in English
1116 GMT 26 Apr 96

[FBIS Transcribed Text] Nagoya, April 26 KYODO — Tokai Bank has completed write-offs of bad loans to its affiliated nonbank moneylenders, the president of the Nagoya-based major commercial bank said Friday [26 April].

"Such write-offs were completed a hundred percent," Satoru Nishigaki told a press conference here.

He said the bank wrote off a total of 800 billion yen in nonperforming loans in fiscal 1995 which ended March 31. Of the total, those to affiliated nonbanks accounted for a little less than 20 percent, he said.

Nishigaki also said Tokai Bank will carry out a drastic reorganization program and reduce the number of workers at its headquarters by around 200 by November.

Japan: Official Says 'Difficult' for Banks To Increase 'Jusen' Burden

OW2504120496 Tokyo KYODO in English
1029 GMT 25 Apr 96

[FBIS Transcribed Text] Tokyo, April 25 KYODO — A senior Finance Ministry official said Thursday [25 April] it is difficult to urge the founder banks of failed mortgage loan companies known as "jusen" to dish out more funds than they have already offered to clean up the financial mess left by the companies.

"The banks are repeatedly saying there is no room for stepping up their burden," Vice Finance Minister Tadashi Ogawa said at a news conference.

Finance Minister Wataru Kubo, however, is still asking the financial institutions to provide possible ways to break through the situation, Ogawa said.

Under the government scheme to liquidate the mortgage firms now being debated in the Diet, founder banks will forgo all their loans to the mortgage firms to help finance the disposal of irrecoverable loans run up by the companies.

Meanwhile, Ogawa said the government needs to discern the economic situation before deciding whether to continue offering temporary income and residential tax cuts in fiscal 1997.

The government offered a 20 percent reduction in individual income and residential tax payments in both fiscal 1994 and 1995 to help boost the economy. It decided late last year to also keep the cuts in place for fiscal 1996 despite financial difficulties.

If the government is to extend the discount for another year, "It will have to be financed with deficit-covering bonds," Ogawa said.

"We are not in a situation to consider the next step for management of the economy," he added, indicating the tax cut may not be necessary.

Japan: Kubo Says Banks Can Afford Additional 'Jusen' Burden

OW2504133396 Tokyo KYODO in English
1303 GMT 25 Apr 96

[FBIS Transcribed Text] Tokyo, April 25 KYODO — A banking industry leader believes the founder banks of failed "jusen" housing loan companies can afford to shoulder more of the burden of liquidating the firms but cannot do so due to legal obstacles, Finance Minister Wataru Kubo said Thursday [25 April].

The statement was made by Tooru Hashimoto, who recently resigned as chairman of the Federation of Bankers Associations of Japan, when he visited Kubo on Tuesday, the minister said at a Budget Committee session of the House of Councillors.

Kubo also quoted Hashimoto as saying that he cannot think of a way out of the dilemma and will leave the issue to his successor, Shunsuke Hashimoto.

The ministry is holding negotiations with banks to have them assume a financial burden in addition to the one included in the government-drafted scheme to liquidate the housing loan firms, Kubo said.

The minister, who maintains that banks can afford to bear more of the burden as they posted record net business profits in fiscal 1995, also said he had told Toru Hashimoto that banks should consider new contributions to the liquidation scheme in a "concrete and visible manner."

Japan: Murayama Discusses Defense, Political Situation

OW2604041996 Tokyo YOMIURI SHIMBUN
in Japanese 24 Apr 96 Morning Edition p 2

[Interview with Tomiichi Murayama, chairman of the Social Democratic Party, by unidentified YOMIURI SHIMBUN reporter; place and date not given; first paragraph is YOMIURI SHIMBUN introduction]

[FBIS Translated Text] As the offensive and defensive battles surrounding the FY96 budget in the House of Representatives and the summit diplomacy between Japan and the United States and between Japan and Russia were over for the moment, the ruling and opposition parties began their preemptive movements far ahead of the latter half of the Diet session following the extended holidays in early May. The main influence in each political party was interviewed on how to deal with such problems as financial matters including the disposition of the housing loan firms [jusen], pending issues topped by the study of emergency situations that had been agreed upon in the Japan-U.S. summit, the anticipated dissolution of the House of Representatives, and the subsequent general election and political realignment.

[YOMIURI SHIMBUN] How are you going to respond to a review of the "Guidelines for Japan-U.S. Defense Cooperation" on the supposition of emergency situations in the Far East?

[Murayama] When I was in the post of prime minister, a new National Defense Program Outline was worked out. As (to the matter of how to respond to emergency situations), I am not hesitant to study specific problems in accordance with the tripartite agreement to deal with it on the basis of Constitution and related laws and ordinances. I think there is a need to study it.

[YOMIURI SHIMBUN] Does it include a study of new legislative measures?

[Murayama] The matter does not anticipate (new legislation), but requires a full discussion and study on specific problems among the three parties. If further legal adjustments are deemed necessary, naturally it will be examined. I would rather point out that it is more important for Japan and the United States to cooperate in their efforts to prevent emergency situations from happening than merely making preparations for emergency situations.

[YOMIURI SHIMBUN] What do you think about a rumor that an alliance of conservatives is being contemplated in connection with national security problems?

[Murayama] I do not think the present situation attests to such possibility, nor is a regime based on an alliance of conservatives inevitable. But it is a different matter if the amendments to the Constitution have to be considered as a result of developments in which a discussion of new legislation in case of emergency situations is made in a concrete manner and is escalated to debates on constitutional amendments. But judging from the clearcut statements of Prime Minister Ryutaro Hashimoto, I do not imagine such a development (an alliance of conservatives) will take place.

[YOMIURI SHIMBUN] Please comment on the situation that the SDP seemingly has lost its influence among the ruling parties.

[Murayama] For example, our party has pushed through its view on the liberalization of holding companies. When we are in power, our views can be seen in policies from the stage of their origination. We have played a considerable role in the efforts to materialize our views, however little they may be. I will try to make the people understand more about this process.

[YOMIURI SHIMBUN] What has happened to the plan that a certain policy would be worked out by the end of April with regard to forming a new party?

[Murayama] That is a misunderstanding. "By the end of April" did not mean that the matter of a new party will be settled. The phrase meant that all the problems arising so far will be summarized by the end of April. If the direction is decided in a sense that a new prospect is open as a result of the summarization, a meeting of representatives will be held. All the party members will be thoroughly informed about the policy which is set to be dealt with by all-party strength.

[YOMIURI SHIMBUN] That will be taken as a "postponement of a new party formation." Do you not expect a repulsion from "Soshikai," a group formed by dietmen propelling a new party plan, and so forth?

[Murayama] I would like to have a frank talk with them and I do not think there is much difference between us.

[YOMIURI SHIMBUN] Is there no change in your plan to form a new party before a House of Representatives election?

[Murayama] There has not been a change. We will make our utmost effort under a policy to undergo an election by a new party.

[YOMIURI SHIMBUN] When do you think the House of Representatives will be dissolved, followed by a general election?

[Murayama] I assume it will be between autumn and the beginning of the new year. In my opinion, it cannot

be (July next year) when the term of Diet membership expires.

[YOMIURI SHIMBUN] I do not see that your party is making any progress in preparing for an election.

[Murayama] It is not that the preparations depend on whether a new party is formed or not. The SDP will back as many candidates as possible on its ticket and launch an active campaign to make the party a more attractive one, and it will connect to a new party.

[YOMIURI SHIMBUN] What is your forecast of the post-election government framework?

[Murayama] It is necessary to maintain the present framework until the lower house dissolution. After the election, the matter should be decided, paying due consideration to popular judgment. I do not think it will be much different from now.

[YOMIURI SHIMBUN] Now that you are 72 years old, what do you think about running for the next House of Representatives election in connection with the age limit system of your party at 70 years old?

[Murayama] The election system has been changed to the single-seat constituency (with proportional representation) system and it is going to be a difficult one for the SDP. There is no need, therefore, for those to quit who can fully fulfill the duties of Diet members with full trust and strong expectations from the people, solely on the grounds that they are beyond the age of 70. In that sense, the age limit system should be reconsidered. As for my personal matters, I have accepted the position of party chairman in order to do my last service in the making of a new party and I will make a judgment what will be good for the party in view of the whole situation from that position.

[YOMIURI SHIMBUN] What do you think about the additional responsibilities proposed for the main banks in the disposition of housing loan firms (jusen)?

[Murayama] Continued efforts must be made in the future to lessen the burden on the people in dealing with the jusen liquidation. The social responsibility of financial organizations and the responsibilities of main banks should further be called to account and I would like to have them bear the burden as much as possible. I would expect further efforts on the part of major banks.

Japan: Think Tank Encourages Defense Policy Review

OW2604011096 Tokyo JISEDAI NO RIKUJO JIETAI in Japanese 18 Feb 96 pp 313-316

[Excerpt from book edited by Morino Military Research Institute and published by Kaya Shobo: "Next-

Generation Ground Self-Defense Force: Fighting Future Wars"]

[FBIS Translated Excerpt] [Passage omitted] **Afterward**

I cannot forget 31 October 1994 when, at ceremonies marking the 40th anniversary of the founding of the Self-Defense Forces [SDF], then Prime Minister Hosokawa, who had suddenly attained that office because of the new wind of political reform that toppled the long-ruling Liberal Democratic Party, did not even bother to consult the text that those responsible for military affairs in the government had prepared. Instead he spoke on "Revision of the National Defense Program Outline" according to his own beliefs. Naturally, the media organs covered this. There were articles with both praise and criticism, but the argument in nearly all cases went as follows: "Prime Minister Hosokawa is the prime minister and supreme commander of the Self-Defense Forces. He clearly stated that, with the collapse of the Cold War system, we should reduce our nation's defense power and do so in a prompt revision of the 'National Defense Program Outline.'" The Morino Military Research Institute quickly obtained a copy of Prime Minister Hosokawa's remarks and gave it careful study. However, nowhere was there written in his speech of the phrase "we should consider matters in the direction of cuts." We confirmed that, in his position as prime minister, he declared "We need to revise the 'National Defense Program Outline' in line with the demands of the age." We thus confirmed that we had a ray of hope. With this as an opportunity, we resolved to sketch a long-range, faithful portrait of national strategy. We resolved, then, to consider objectively and concretely the theme of national defense. First, we published in the monthly journal GUNJI KENKYU "Thoughts on Revision of the 'National Defense Program Outline.'" After that, Prime Minister Tsutomu Hata fulfilled the promise of the preceding administration by launching the Advisory Group on Defense Issues, a private advisory organ to the prime minister, with Asahi Breweries President Higuchi as chairman. The Advisory Group at the end of 1994 submitted its report to Prime Minister Murayama. With this report, work proceeded at a rapid pace on drafting a new Mid-Term Defense Program [MTDP] by end of 1995.

When we take a long-term view of our national defense, we conclude that the contents of the partly reported new MTDP may not necessarily be appropriate. The reason lies in the sense that a qualitative, detailed investigation of what kind of strength our ground forces would require to defend the nation if Japan became involved in a ground war in the near future did not precede the debate on by what percentage defense

budget spending should change compared to the year before or what its level should be in terms of percentage of GNP. We then considered how the basic units for operations should be. Our parameters included the experience gained from past unit operations, as well as the special features of Japanese topography, advances in military technology, trends in world military forces, and domestic and foreign conditions around Japan. We then published the results again in GUNJI KENKYU (August 1994 to October 1995) as the series "Reconstructing the Ground Self-Defense Force: Directions and Policies." Then, at the suggestion of Mr. Kazuhiko Ishii, president of the publishing company Kaya Shobo, we reworked the articles for publication as a book. Our nation has achieved a recovery rare in world history from the destruction of the last world war. However, although 50 years have passed since the war's end, even today we find no signs of serious debate among the people on national defense, an essential function for any nation. We will greet the 21st century in only a few years from now. What place will politicians and the general public assign the security of our nation and our people? Predicting the future is certainly a very difficult task. Until then, we request from the bottom of our hearts that there takes root among the people a serious debate on the nation's security. Our feelings in thinking of the future of the nation and its people will not wane in the least. We treat as important the sense from the past of soaking our combat fatigues with sweat and mud, of racing about the field of maneuvers. We intend in the future as well to seek to involve ourselves in defense issues. Publication of this book is one indication of our resolve. "Military affairs" must in the future as well remain within the context of "politics." However, it should remain in the context of a politics that understands the military affairs. It should not be in the context of a politics ignorant of military affairs. Therefore, we believe our role is to make military functions that are difficult to understand even a little easier to understand, and to present such issues to the people. We would like to elicit criticism from the standpoint of the people.

The following cooperated putting together this book. Responsibility for the views expressed remain with the Morino Military Research Institute. (Between parentheses are the major posts held while in the Ground Self-Defense Force).

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Japan: Keidanren Decides To Launch New Political Forum

OW2204121996 (Internet) Keidanren WWW
in Japanese 16 Apr 96

["On the Founding of the 'Businessmen's Political Forum';" from the "News" link]

[FBIS Translated Text] I. Purposes and Objectives

For politics to take the lead, and to realize a policy-centered government, political parties and politicians have to increase their ability to formulate a policy, and the people have to be interested in politics. In addition, it is important that the public actively express their political opinions, and clearly indicate their intention through voting and other measures. Now that the relationship between politics and economics is close and inseparable, it has become all the more necessary to deepen mutual understanding between businessmen and politicians by improving communications between them.

Therefore, Keidanren [Japan Federation of Economic Organizations] has decided to establish the "businessmen's political forum" with the aim of reforming businessmen's political awareness, and contributing to develop a real statesman through such activities as exchanging views between businessmen and politicians, providing political information to businessmen, and presenting policy proposals and recommendations to politicians.

Also, it is hoped that, through these activities, businessmen's interest in politics will grow, and donations from individuals — one of the ways of expressing one's political intentions — will increase.

II. Name

This organization shall be named "businessmen's political forum."

III. Organization and Management**A. Membership**

1. Membership shall consist of corporate members and individual members.

2. Corporate Membership

a. A corporation (Keidanren member company as a rule) that supports the objectives of this forum

b. For corporate membership, persons holding managerial position of the member companies shall be registered as corporate members (10 and above, no limit)

c. New Liberal Democratic Council shall be dissolved upon the establishment of this forum, and the council's corporate members and registered members shall become members of this forum.

3. Individual Membership

An individual (directors of principal Keidanren member companies, or members of the management of companies not holding the above corporate membership) that supports the objectives of this forum.

4. Corporate members as well as individual members shall pay a membership fee to defray the expenses required to manage this forum.

B. Officers

This forum shall have the following officers:

1. Chairman (representative of the forum)

2. Representative Secretary (several, responsible for assisting the chairman)

3. Administrative Secretary (approximately 10, responsible for administering the forum in cooperation with the secretariat)

4. Secretary (one per each corporate member, responsible for making announcements within their companies about the forum's events, and informing their registered members)

C. Officers' Meetings

1. Executive Meeting (composed of chairman and representative secretaries; makes a decision about important matters pertaining to the forum's administration)

2. Meeting of Administrative Secretaries (makes a decision about matters concerning actual management)

3. General Meeting (makes a decision about the forum's budget, account settlement, business report/program, etc.)

D. Secretariat

This forum shall have its secretariat within Keidanren.

E. Office

This forum shall have its office within Keidanren.

VI. Activities

A. Promoting communication between politicians and businessmen (Sample activities)

1. Top-Class Meeting

Round table discussion of politics and economics (As a rule, every week)

2. Director- and Manager-Class Meeting

a. Lectures by Diet members (about 100 participants, a breakfast or luncheon)

b. Symposium/get-together with Diet members of the ruling and opposition parties (several hundred participants)

c. Lodging with Diet members of the ruling and opposing parties for discussion (dozens of participants, at a guesthouse, for example)

d. (evening) get-together with Diet members (10-odd participants, at Keidanren's cafeteria, "salon" style)

3. Cooperation with local business circles (Holding various gatherings at various parts of the country in cooperation with local business worlds)

With regard to the above meetings, participants shall be requested to pay their share of the cost of a meeting.

B. Promoting politicians' understanding of the actual conditions of the economy (Sample activities)

1. Holding lectures by businessmen active in the front lines of the business world (Politicians will be invited)

2. Sending businessmen as lecturers to politicians' study groups

C. Conducting research (Sample activities)

1. Questionnaire survey of politicians

2. Questionnaire survey of businessmen's opinions

3. Policy analysis of each party and politicians

D. Putting together policy proposals by forum members (Sample activities)

1. The forum will set up a study group for each theme and present proposals and recommendations, from businessmen's point of view, to parties and politicians. At the same time, each study group will offer its suggestions to Keidanren's standing committees.

2. Proposals will be published in the name of this forum.

E. Public relations and liaison activities (Sample activities)

An update on the above activities — items 1 to 4 — will be provided by facsimile.

F. Others. An event to celebrate the foundation of this forum, and activities open to the public (nonmembers) will also be considered.

V. Activities Related to Promotion of Individual Political Donations

For the moment, the forum will, through the above activities, 1) appeal to businessmen about the importance of donations from individuals, and 2) provide necessary information such as tax privileges and [politicians'] bank account numbers.

Japan: Hashimoto Denies Early Lower House Dissolution, Election

OW2604004796 Tokyo MAINICHI SHIMBUN
in Japanese 25 Apr 96 Morning Edition p 2

[FBIS Translated Text] At the House of Councillors' Budget Committee session held on 24 April, Prime Minister Ryutaro Hashimoto denied a report that the House of Representatives may be dissolved at an early date so that the general election can be held. He said: "No matter what considerations I may have, I am not courageous enough to dissolve the House of Representatives." As reasons, Hashimoto cites such issues as the approval of the bill concerned with finance, need to take economic stimulus measures, implementation of plans stated in the interim report worked out by the Japan-U.S. Special Action Committee on Okinawa base issues, and his plan to attend the Lyon summit talks.

Japan: Ministry Posts 'Record' Low Wage Increase Figures

OW2504115096 Tokyo KYODO in English
1108 GMT 25 Apr 96

[FBIS Transcribed Text] Tokyo, April 25 KYODO — Monthly wages grew an average 1.0 percent in 1995 from the previous year, the smallest increase since 1977 when the pay statistics started to be compiled, the Labor Ministry said in a preliminary report Thursday [25 April].

The new record, breaking the previous low of 2.1 percent in 1993, is attributable to the continuation of stagnant business activity, ministry officials said.

According to the ministry survey of wages paid to some 1.28 million workers last June by 48,000 companies with 10 or more employees, the average worker aged 39 and employed for 11.3 years was paid 291,300 yen.

The average wage for male workers was 330,000, an increase of 0.8 percent, and that for women was 206,200 yen, up 1.6 percent, the ministry said.

For workers who were university graduates, the average male aged 38 with 11.7 years of employment received 392,100 yen, up 1.1 percent from 1994, and the average female aged 31.1 and employed for 5.7 years got a 1.4 percent pay increase to 266,600 yen.

By industrial sector, the highest average wage was 438,600 yen in the finance and insurance sector, maintaining its position as the best payer since 1976, the ministry said.

For women, the electric power, gas, and heat and water supply sector was the highest wage payer at 253,200 yen.

Japan: Survey Finds Greater Numbers Placing Priority on Leisure

OW2504130496 Tokyo KYODO in English
1217 GMT 25 Apr 96

[FBIS Transcribed Text] Tokyo, April 25 KYODO — The Japanese are becoming more leisure-oriented, with a greater number of people now saying they place priority on leisure than those who say work is more important, according to a quasigovernmental organization's report released Thursday [25 April].

The Leisure Development Center conducted the nationwide survey last December, which covered a total of 4,000 males and females aged 15 or older, with 82.4 percent responding.

Asked whether they place priority on leisure or work, the number of people answering leisure came to 34.5 percent, while the number saying work stood at 34.1 percent, the institute said.

It is the first time in the annual survey that more people said they place priority on leisure than on work. The institute began conducting the survey in 1987.

The number of people who said they live for their work, seen as "workaholic" according to the institute, dropped by 1.2 percentage points from the previous year to a record low 2.8 percent, while those seeking satisfaction in leisure increased by 2.1 points to 10.6 percent, it said.

By age, teens and people in their 20s said they place greater priority on leisure than did other respondents.

Slightly more than 58 percent of male teens said they attach more importance to leisure than work.

In contrast, the number of males in their 40s and 50s who said they put priority on work came to 51.4 percent and 59 percent respectively, the institute said.

North Korea

DPRK: DPRK Cannot Discuss Peace With ROK 'Colonial Stooges'

*SK2604082696 Pyongyang KCNA in English
0813 GMT 26 Apr 96*

["Humiliating Behavior of Colonial Stooze" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 26 (KCNA) — The mode of existence of a colonial stooze is begging and kowtowing to his master.

The South Korean puppets' disgusting behavior is a graphic example.

On April 16, the puppet Kim Yong-sam received U.S. "commitment to security" of South Korea from the U.S. President, who was stopping over in South Korea on his way to Japan.

The South Korean puppets are now making a fuss about this commitment which they got through humiliating kowtowing and begging, as if they had received "greatest benefit."

This political burlesque can be performed only by the colonial stooges who eke out a living with recourse to their master.

By "commitment to security" the United States means to keep hold on South Korea as its permanent colony and military base. The Kim Yong-sam group accepts this as the "greatest benefit." There is no poorer colonial puppet in history.

Foreign news media scornfully describe the South Korean puppets' behavior as something of a "colonial watch-dog that cannot live without the United States even for a moment."

Their disgusting behavior revealed once again that they are a group of traitors and colonial stooges who seek to prolong their remaining days, clinging to the coattails of outside forces.

What is ridiculous is that Kim Yong-sam is trying to poke his nose into the issue of preserving peace on the Korean peninsula, which should be settled between the DPRK and the United States.

Without minding his p's and q's, Kim Yong-sam imitated his U.S. master's words about some kind of "talks."

As for the preservation of peace on the Korean peninsula, it is an issue that should be discussed and decided on between the DPRK and the United States, signatories to the Armistice Agreement.

It is self-evident that the South Korean puppets, who doggedly opposed the conclusion of the Armistice Agreement and did not sign it, cannot be allowed to be involved in it.

Moreover, the Kim Yong-sam group is made up of flunkeyists and traitors who remain indifferent to the destiny of the country and the nation. They seek to gratify their greed for power even by selling the nation to outside forces.

The Kim Yong-sam group is a vicious enemy of reunification who has driven the North-South relations to the worst phase of confrontation. It is the Kim Yong-sam group that has created the present touch-and-go situation and is watching for a chance to invade the North with the backing of outside forces.

It does not make any sense that we discuss the issue of peace of the country with such colonial stooges, traitors and flunkeyists.

The Kim Yong-sam group had better mind its poor lot than talk about "preservation of peace" and the like.

DPRK: All Koreans Urged To Hold Contact, Dialogue

*SK2604102496 Pyongyang KCNA in English
0747 GMT 26 Apr 96*

["Contact and Dialogue, Preconditions for Great National Unity" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 26 (KCNA) — NODONG SINMUN today urges the political parties, organisations and people of Korea in the North, South and overseas to decisively smash the obstructions of the separatists and actively hold a wide range of contact and dialogue.

The paper says in a by-lined article:

Peace and great national unity should begin with meeting of people from the North, South and overseas.

The political parties, organisations and people in the North, South and overseas must meet, contact and have a dialogue with one another in the nation's common cause of the country's reunification, transcending the

differences in ideology, ideal, political view and religious belief.

There exist different ideologies and systems in the North and the South, but all the Koreans at home and abroad have the same desire for national reconciliation, unity and reunification. When they have contact and dialogue, placing national reunification above anything else and transcending the differences in ideology and ideal, whether they live in the North, South or overseas, a turning-point will no doubt be opened for national reconciliation, unity and reunification.

In order to develop contact and dialogue between the North and South and achieve national reconciliation and unity, the Kim Yong-sam group, who block them, must be overthrown as soon as possible and the "National Security Law" be abolished.

At the same time, the concrete wall, a barrier of division, built by the South Korean puppets in the area south of the Military Demarcation Line, must be demolished.

DPRK: Kim Chong-il Receives Messages From Foreign Party Leaders

SK2604044996 *Pyongyang KCNA in English*
0323 GMT 26 Apr 96

[FBIS Transcribed Text] Pyongyang, April 26 (KCNA) — The great leader Comrade Kim Chong-il received messages of solidarity supporting the DPRK Government's proposal for a tentative agreement to establish a new peace mechanism from chairman of the Central Committee [C.C.] of the Communist Party of Tajikistan Shodi Shabdolov, chairman of the C.C., the Nepal Worker-Peasant Party Narayan Man Bijukchhe, secretary general of the Palestine Liberation Democratic Front Nayef Hawatmeh and national chairwoman of the Socialist Progressive Party of Madagascar Rakotomandimby Selestine.

The messages fully supported the wise and far-sighted politics of Comrade Kim Chong-il on adopting a tentative agreement between the DPRK and the U.S. which can remove danger of military tension, control a military collision and change the present armistice into a durable peace.

They urged the U.S. Government to respond to the proposal with sincerity and actively work to put it into effect if it really wants peace and progress in the Asia-Pacific area and the world.

DPRK: Delegations From Mexico, PRC Visit Kumsusan Memorial Palace

SK2604050896 *Pyongyang KCNA in English*
0337 GMT 26 Apr 96

[FBIS Transcribed Text] Pyongyang, April 26 (KCNA) — The delegation of the Mexican Workers' Party headed by Alberto Anaya Gutierrez, member (leader) of the coordination commission of the national political commission of the party, and the delegation of the Chinese people's association for friendship with Foreign Countries and the China-Korea Friendship Association led by its Vice-president Xu Qun on April 25 visited the Kumsusan Memorial Palace in which the great leader President Kim Il-song is preserved in state and paid homage to him.

Alberto Anaya Gutierrez wrote in the visitor's book:

"Eternal glory to Comrade Kim Il-song, the great leader of the world people and the international working class".

Xu Qun made the following entry in the visitor's book:

The respected leader President Kim Il-song, the great leader of the Korean people and the intimate friend of the Chinese people, will be immortal in our hearts.

DPRK: Yi Chong-ok Meets Visiting Mexican Delegation

SK2604054696 *Pyongyang KCNA in English*
0341 GMT 26 Apr 96

[FBIS Transcribed Text] Pyongyang, April 26 (KCNA) — Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-president, met and had a friendly conversation with the delegation of the Mexican Workers' Party headed by Alberto Anaya Gutierrez, member (leader) of the Coordination Commission of the National Political Commission of the party, at the Mansudae Assembly Hall on April 25.

The head of the delegation said that he extended the highest tribute to the great leader Comrade Kim Chong-il for firmly maintaining the banner of the revolution, the banner of socialism.

What deeply impressed us during our visit, he added, is the fact that the whole party and the people are united as one around Comrade Kim Chong-il.

This singlehearted unity is the basis of all the achievements of the Democratic People's Republic of Korea in all domains, he noted, and stressed:

We are firmly convinced that the reunification of Korea will certainly be achieved by the strength of this

singlehearted unity in accordance with the 10-point programme of the great unity of the whole nation clarified by the great leader Comrade Kim Il-song.

DPRK: UN Representative Urges Japan To Atone for 'Past Crimes'

*SK2604103196 Pyongyang KCNA in English
0820 GMT 26 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 26 (KCNA) — The permanent representative of the DPRK to the U.N. Secretariat and international organisations in Geneva, who was the head of the DPRK delegation to the 52nd meeting of the U.N. Commission on Human Rights, delivered a speech criticizing the unjustifiable stand of the Japanese Government to gloss over the criminal issue of the "comfort women for the army" and evade its responsibility during the discussion on the item "violence against women."

He declared that "apology" refusing to admit legal responsibility is not apology, adding:

Reparation must be made thoroughly to meet the demands of all the victim states and sufferers on the basis of admitting the national responsibility of Japan.

He further said:

Korea experienced the greatest sufferings and damage including the issues of "comfort women for the army", forcible drafting of six million people and the massacre of one million people. So, it strongly urges Japan once again to admit the national and legal responsibility for the past crimes and atone for them completely and thoroughly.

If Japan's past crimes are connived at, serious criminal acts of infringing peace and security of humankind and human rights and the basic right to freedom can be committed again in the future.

We consider that the serious present-day violence against women is the result of the unsatisfactory liquidation of such unheard-of crimes as old Japan committed.

DPRK: Bangladesh Groups Support DPRK's 'Self-Defensive Measure'

*SK2604103996 Pyongyang KCNA in English
0823 GMT 26 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 26 (KCNA) — Eleven political parties and organizations of Bangladesh including the Workers' Party, the Workers and Peasants Socialist Party, and the Self-Reliance Research Academy on April 14 made public a joint statement supporting the DPRK's self-defensive mea-

sure of renouncing its obligation on the maintenance and control of the Demilitarized Zone.

Saying that peace has been preserved on the Korean peninsula owing to the persevering efforts of the DPRK, the statement noted the self-defensive measure of the DPRK is quite legitimate.

It demanded that for peace of the Korean peninsula and Asia, the South Korean authorities stop at once leading the situation to the brink of war.

The statement also said that the U.S. should accede to the proposal of the DPRK to adopt a tentative agreement for peace on the Korean peninsula and should not encourage the South Korean authorities.

DPRK: Kang Song-san, Kim Yong-nam Greet Yugoslav Counterparts

*SK2604110796 Pyongyang KCNA in English
0856 GMT 26 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 26 (KCNA) — Kang Song-san, premier of the Administration Council, sent a message of greetings to Radoje Kontic, prime minister of Yugoslavia, on the day of the proclamation of the constitution of his country.

The message expresses the belief that the traditional friendly relations between the two countries will favourably develop in the future, too.

Foreign Minister Kim Yong-nam also sent a message of greetings to his Yugoslav counterpart Milan Milutinovic [spelling of name as received].

DPRK: KPA Chief of Staff Addresses Anniversary Rally

*SK2504110696 Pyongyang Korean Central
Broadcasting Network in Korean
0703 GMT 24 Apr 96*

[Report by Vice Marshal Kim Yong-chun, chief of the General Staff of the KPA, at a central report meeting marking the 64th anniversary of the founding of the KPA held at the 25 April Cultural Hall in Pyongyang — live]

[FBIS Translated Text] Comrades: Today, all the party members, officers and men of the People's Army, and the people are overflowing with swelling emotion and boundless joy upon hearing the news that the historic day in which the great leader Comrade Kim Il-song founded the Korean People's Army [KPA], the chuchetype revolutionary armed forces, has been designated as a national holiday. At such a time, we meaningfully commemorate the 64th anniversary of the founding of the heroic KPA with high pride.

Observing the meaningful founding day of the KPA, our party's revolutionary armed forces, as well as a national holiday of all the people, as authorized by the respected and beloved Supreme Commander Comrade Kim Chong-il, I, in the name of the Political Bureau of the Central Committee of the Workers Party of Korea [WPK] and the Military Commission of the party Central Committee, extend warm congratulations to officers and men of our brave People's Army and the People's Security Forces who are reliably defending the socialist fatherland and the stability of the people, cherishing in their hearts high loyalty to the party and the leader [suryong]. [applause]

At the same time, I also express noble respects to fallen anti-Japanese revolutionary fighters and patriots of the People's Army who devoted their noble lives to the fatherland's independence and the people's liberation and to the party and the revolution. [applause]

I also extend warm congratulations to the anti-Japanese revolutionary fighters, the first generation of our revolution as well as the first seniors who defended the leader of the revolution with their lives under the grimmest condition; and to war veterans, disabled veterans, and discharged soldiers, who performed heroic exploits in the battles to defend the fatherland's freedom and independence from imperialist invasion by inheriting the glorious tradition. [applause]

I also extend warm greetings to all the people and the families of servicemen who are devoting themselves to resolutely defend, to adhere to, and to endlessly add luster to the socialism of our own style under the leadership of the party, and who love the People's Army as their own flesh and blood and are assisting them with all sincerity. [applause]

On the threshold of the 64th anniversary of the founding of the KPA, the invincible revolutionary armed forces of our party and people, the great leader [widaehan yongdoja] Comrade Kim Chong-il has taken a historic step of adopting a decree of the DPRK Central People's Committee on designating the glorious KPA founding day as a national holiday, reflecting the requirement of our revolution and the aspiration of all the people. [applause]

It is a great joy and pride of our people to have the invincible KPA which has brilliantly discharged its duty as the defender of the fatherland, the creator of the people's happiness, and the core army of the revolution over 60 odd years since its birth was proclaimed in the thick forest of Paektu. [applause]

The great leader Comrade Kim Il-song founded the Korean People's Revolutionary Army [KPRA] on 25

April 1932, 64 years ago. This was a historic event that gave rise to an opportunity to make a momentous change in our people's revolutionary struggle and a great auspicious event of the entire nation. [applause]

As a result of the founding of the KPRA, our people were able to have their own genuine revolutionary army for the first time in history and victoriously wage, on a new higher stage, the struggle for independence in the fatherland and the people's liberation. And the honorable history of our revolutionary armed forces started then. [applause]

At this moment as we mark the meaningful day of the KPA, all officers and men of the People's Army and people are filled with warm admiration and irresistible yearning for the great leader Comrade Kim Il-song, who earlier founded a new-type genuine revolutionary army under the banner of the chuche idea and strengthened it into an invincible combatant rank while walking the arduous road of struggle filled with difficulties. They are also proudly recalling the glorious combatant road and immortal achievements of our revolutionary armed forces which have walked along an honorable victorious road under the leadership of the party and the leader [suryong].

Comrades: The KPA is the glorious, revolutionary armed forces of our party, which have registered heroic feats of victory, while stoutly inheriting the lineage of chuche, under the guidance of great leaders [widaehan suryong] and great illustrious commander over 60-odd years after its founding. [applause]

The popular masses' cause of independence and their socialist cause are historic causes that are carried out generation after generation in a fierce struggle against the enemy at home and abroad, and their victorious march is unthinkable apart from the working class powerful revolutionary armed forces.

The working class revolutionary armed forces are a military guarantee to complete the revolutionary cause, and their might and invincibility are directly linked to the greatness of the outstanding leader [tagworhan suryong], the illustrious general, who founded and led the revolutionary armed forces.

When, in army building, the correct leadership of the leader [suryong] and the outstanding general who is inheriting the cause of the leader [suryong] is guaranteed, revolutionary armed forces will be ever-victorious and invincible, and, otherwise, any army will not be able to display its might and defend the party and revolution, and will, eventually, perish, even though it may have a long history and modern military and technological equipment. This is what history and reality show.

On their long combatant road, our revolutionary armed forces have always been able to honorably accomplish their noble mission before the party and revolution and strengthen and develop into ever-victorious and invincible revolutionary armed forces. This is entirely because they have firmly ensured the continuity of leadership in army building, while upholding the great leader [widaehan suryong], the great brilliant commander, on the vanguard. [applause]

From the very day of its founding, our revolutionary armed forces could cover a militant course full of victories and glory because they upheld the great leader Comrade Kim Il-song on the vanguard. And, they have strengthened and developed into a matchless strong army which has always won victory in the acute confrontation with the enemy, because they are upholding the great brilliant commander General Kim Chong-il as their supreme commander.

Our People's Army is a dignified Army which has enjoyed the happiness of being blessed with the leader [suryongbok] and commander [yongjangbok] generation after generation. It is also a matchless, ever-victorious powerful army which has victoriously traversed the glorious road of struggle, upholding the great leader [suryong], the great commander, at the highest position. [applause]

The history of our revolutionary armed forces, which have firmly guaranteed the victorious advance of the chuche revolutionary cause with the force of arms, is indeed proud and glorious.

Engraved on the road of arduous struggle and on the road of glorious victory our Army has traversed the noble traces of devoted efforts and the noble struggle of the great leader Comrade Kim Il-song—who founded and wisely led our revolutionary armed forces—and Comrade Kim Chong-il. At the same time, the greatness of the party and the leader [suryong] has provided our Army with brilliant achievements and invincible might.

During the first period of his embarkment on the road of the revolution, the great leader Comrade Kim Il-song, regarding arms building as the primary key to the revolution, founded the KPRA based on the chuche-oriented military ideology that he had created in the practice of the revolutionary struggle. In this way, he opened the beginning of the construction of chuche-type revolutionary armed forces.

It was a historic event—which effected fundamental changes in the anti-Japanese national liberation struggle of our country and in pioneering the destiny of our people—that the great leader Comrade Kim Il-song elucidated the creative road for the anticolonial revolution

for national liberation through armed struggles for the first time in history and built a chuche-type revolutionary army based on the firm political and military preparedness under the worst conditions. [applause]

Thanks to the immortal achievements that the great leader Comrade Kim Il-song registered in his leadership in army building, the chuche revolutionary cause of pioneering the new road of the revolutionary army in the era of independence has been able to vigorously advance with the firm guarantee for military strength while surmounting all sorts of challenges and trials of history without knowing failure and hitch. [applause]

Our revolution was carried out amid the fierce struggle against the counterrevolution from the outset, and our revolutionary armed forces had to wage the bloody struggle against the most brutal and powerful imperialist aggressors. The anti-Japanese revolutionary war was a most grave and arduous guerrilla warfare unprecedented in history and, at the same time, the first anticolonial revolution for national liberation organized and carried out under the banner of the chuche idea.

In the days of the anti-Japanese war, the KPRA dealt serious blows to the Japanese aggressors through superb and brave guerrilla tactics and vigorous military and political activities under the great leader Comrade Kim Il-song's excellent political and military leadership and, thus, demonstrated high its might.

The KPRA continued the arduous march of several billion miles even under the worst conditions, which human beings could not even imagine, upholding the red banner of the revolution. On this course, the KPRA bravely and heroically fought for 15-long years with the firm and indomitable will of smashing the enemies at any cost. Finally, the KPRA performed the immortal exploits of annihilating the Japanese imperialist aggression forces and of achieving the historic cause of national liberation. [applause]

This was the first great victory which proudly recorded in the victorious history of our People's Army the iron-firm truth that the revolutionary army upholding a great leader at its head will be ever-victorious and invincible under any disadvantageous balance of power and grim adversity. [applause]

The truth that the revolutionary army led by the great leader and the great brilliant commander will always create the history of victory was brilliantly proven throughout our people's course of the struggle to build a new society after liberation.

The political and military situation at home and abroad that prevailed in the country after liberation was very complicated, and our revolution was carried on in the

fierce confrontation with the imperialists. The great leader Comrade Kim Il-song, coping with the prevailing situation, energetically led the struggle to realize the idea of building a regular Army, which he had formulated in the blaze of the anti-Japanese revolutionary struggle, and strengthened and developed the KPRA into the KPA, the modern regular armed forces. By so doing, he brilliantly realized the historic cause of building a regular army of an independent country and promoted the army building cause to a new higher plane.

The KPA, which has been strengthened and developed into the revolutionary and modern regular armed forces directly inheriting the KPRA, dependably defended our people's struggle for building a new country, and its invincible militant might was thoroughly displayed in the great fatherland liberation war.

During the stern period of war when the destiny of the country was at stake, the great leader Comrade Kim Il-song united the entire party members, the entire Army, and all the people into one combat rank and organized and mobilized them to the sacred war to annihilate the enemy. With his outstanding and original strategy and tactical policy and brilliant arts of commanding the Army, he led the operations and combat of the People's Army to a shining victory.

With the firm faith that the officers and men of our People's Army will always be victorious as long as they have the wise leadership of the great leader Comrade Kim Il-song, the legendary hero of the anti-Japanese revolutionary struggle and ever-victorious iron-willed brilliant commander, they displayed mass heroism and unmatched spirit of sacrifice and defeated the joint imperialist forces and honorably defended the independence of the country and the gains of the revolution.

It was a great historic victory of our Army and people and a marked event in the war history of the world that we fought with and defeated the two imperialist forces in the fierce anti-Japanese revolutionary war and the fierce fatherland liberation war [applause].

The revolutionary army crushed all the enemy's continuous maneuvers for aggression and war provocation, dependably defended the security of the country and the people, and greatly contributed to the long-lasting monumental projects of construction for the prosperity of the country and the happiness of the people.

Truly, the noble achievements which were made by our revolutionary armed forces are living in the valuable gains of our revolution and in all the victories and successes our people have attained in the revolution and construction. And the immortal exploits—which were made by our revolutionary armed forces as defender

of the country and creator of the people's happiness—will shine forever with the brilliant history of the revolutionary struggle of our party and our people. [applause]

The great leader Comrade Kim Il-song strengthened the might of the People's Army into an invincible one by putting forth our party's self-defending military line and firmly built the system of commanding the Army to be capable of brilliantly realizing the *chuche* building cause generation after generation, thus providing a firm military guarantee for the inheritance and completion of the *chuche* revolutionary cause.

This is a great immortal achievement acquired by the fatherly leader [oboi suryongnim] in our party's revolutionary cause and army building cause. [applause]

The *chuche* cause of army building, which was pioneered and developed in depth by the great leader [widaehan suryong] Comrade Kim Il-song, has been able to unfold a new turning point in its development under the respected and beloved [kyongaehanun] Supreme Commander Comrade Kim Chong-il's extraordinary and refined leadership.

The respected and beloved [kyongaehanun] Supreme Commander Comrade Kim Chong-il personified the great leader's [widaehan suryongnim] outstanding military quality and traits; assisted the leader [suryongnim] right beside him from the beginning up until now to endlessly develop and enrich the concrete military ideology; carried out the work with the leader [suryongnim] to strengthen the revolutionary armed forces; and together with the leader [suryongnim], he led the struggle to defend the dignity and sovereignty of the country and nation. He unyieldingly inherited the *chuche* blood line of our revolutionary armed forces, thus, acquired immortal army building achievements before the era, revolution, fatherland, and people. [applause]

The respected and beloved [kyongaehanun] Supreme Commander Comrade Kim Chong-il always showed a deep interest in promoting national strength, and he also energetically led the work in the forefront to firmly arm our People's Army politically, ideologically, militarily, and technologically in accordance with the demand of the developing revolution.

By modeling the entire army after the *chuche* idea, the respected and beloved general [kyongaehanun changgunnim] put forward the work of making our People's Army into a complete leader's [suryong] army and party's army as the overall duty of army building; wisely led the struggle to realize it; and thus, strengthened and developed the People's Army into our party's revolutionary armed forces, the members of which are

endlessly loyal to the chuche revolutionary cause. [applause]

The respected and beloved general [kyongaehanun changgunnim] strengthened the party political indoctrination work within the Army; and he fundamentally changed the political and ideological trait of our army by establishing the art of commanding the army; the whole army moves as one under the comrade supreme commander's order.

At every difficult stage of the revolution in the past, the officers and men of our People's Army inherited the loyal tradition of defending with their lives in the foremost frontline the party Central Committee led by the respected and beloved [kyongaehanun] Comrade Kim Il-song. Therefore, today, by highly upholding the slogan of defending with life the nerve-center [sunoebu] of the revolution led by Comrade Kim Chong-il, they are advancing resolutely. The revolutionary military traits and strong military rules have firmly prevailed throughout the ranks of the People's Army to unconditionally and thoroughly implement the supreme commander's order under any circumstances. And the ranks of the People's Army are overflowing with the virtue of government-army unity and party-army unity and the spirit of loving the soldiers.

There was no time at all in the history of our army as today when the supreme commander and the army popular masses are one in mind and will and when they are firmly united through one blood line. Herein lies the fundamental source of making it possible for our army to be ever-victorious by overcoming all kinds of storms in history. [applause]

The respected and beloved Supreme Commander Comrade Kim Chong-il has strengthened and developed our Army into a matchless, ever-victorious powerful army—which is firmly prepared politically, ideologically, militarily and technologically—by brilliantly embodying the chuche-oriented army building ideology and theory. All officers and men have grown up to become able commanders and almighty fighters who are firmly armed with the chuche-oriented battle methods; the People's Army's arms and equipment have been extraordinarily strengthened; and its combat capabilities have become invincible as a result of vigorously accelerating the transformation of the entire army into a cadre army and modernizing the entire army under the excellent and tested leadership of the respected and beloved comrade supreme commander.

Today, our People's Army is equipped with all sorts of means of attack and defense, thus demonstrating its dignified look as the ever-victorious and invincible combat

forces which can immediately smash any unexpected invasion by the enemies. [applause]

As a result of the implementation of the party's self-defensive military line, the program of arming all the people and turning the whole country into a fortress has been developed to a new high stage, and an all-people defense system has been firmly established with the People's Army as the kernel.

Today, our People's Army has been firmly defending the socialist fatherland of chuche without faltering even under the complicated military and political situation; and has been winning victory after victory even in the acute confrontation with the imperialists precisely because it is upholding the Supreme Commander Comrade Kim Chong-il who has iron-like will, matchless courage, extraordinary strategy, and excellent art of commanding the Army. [applause]

The respected and beloved comrade supreme commander, who trusts and regards the People's Army as the main forces in consummating the chuche revolutionary cause, has wisely led the People's Army to strengthen the fatherland's defense line as an impregnable fortress in order to cope with the grave political and military situation, which has been created due to the antisocialist and anti-Republic maneuvers by the imperialists and reactionaries in recent years.

The on-the-spot guidances to and inspections of the People's Army units and outposts the respected and beloved Supreme Commander Comrade Kim Chong-il has made this year were significant events which effected a momentous change in strengthening the battle preparations and combat capabilities of the People's Army. [applause]

The respected and beloved comrade supreme commander personally visited frontline hills and even field command posts in the frontline area. There, he made himself familiar with the enemy's situation and unit operation plans and unfolded ever-victorious strategies and battle methods. In this way, he bestowed warm fatherly love upon officers and men of the People's Army by visiting without rest from the eastern sector to the western and central sectors of the frontline. The achievements he registered in his immortal leadership in army building through this process become the banner of encouragement which bestows a firmer faith in certain victory upon officers and men of our People's Army and the revolutionary bomb which threatens the enemies. [applause]

This is a great demonstration of the greatness of the revolutionary leadership and the noble character of our comrade supreme commander who is creating

only victory with his iron-like will, matchless courage, extraordinary far-sighted wisdom, and firm faith in the future. [applause]

Our reality—in which we are vigorously advancing along the way of *chuche* without faltering in the rapidly changing whirlwind of history and are highly displaying the dignity of the socialist fortress—clearly proves the truth of the revolution that under the great brilliant commander, there is an invincible Army and an indomitable people; that the revolutionary government has been firmly maintained with the support of the revolutionary armed forces; and that the party should have control over the Army [kunkkwonun tangi changak hayoyahandanun]. [applause]

Today, our people are firmly defending the socialist fatherland and the gains of the revolution even though they confront the powerful enemy. And our party is victoriously carrying out the *chuche* revolutionary cause while overcoming all sorts of trials because we have the one-a-match-for-a-hundred revolutionary Army upholding the great brilliant commander at its supreme head. [applause]

Truly, the KPA—the first rank of which was organized by the great leader Comrade Kim Il-song during the era when he pioneered the Korean revolution, which he strengthened and developed into an ever-victorious revolutionary Army in the protracted period of the trials of the revolutionary struggle, and which has grown to be an ever-victorious strong Army on the sacred road of realizing the *chuche* Army-building cause under the leadership of the party and the leader—is the Army of the WPK and of the people both in theory and reality. [applause]

It is the foremost honor and greatest happiness of our people and the officers and men of the People's Army to uphold the respected and beloved Comrade Kim Chong-il, the peerless great man of Paektu and political and military genius, as the great leader [widaehan yongdoja] of our party and people and as the supreme commander of our revolutionary armed forces; and complete the *chuche* revolutionary cause under the general's leadership. [applause]

Because the respected and beloved Supreme Commander Comrade Kim Chong-il stands at the head of our party and our revolutionary armed forces, we are confident; and because we have the ever-victorious strong Army which can defeat any imperialist aggressor at a stroke and defend the socialist fatherland like a fortress, our might is infinitely great.

On this significant occasion of commemorating the 64th anniversary of the founding of the KPA, we,

with the consistent reverence and adoration for all the officers and men of the People's Army and all the people and their loyalty, give the most noble reverence and everlasting glory to the great leader of our party and our people Comrade Kim Il-song who founded and led our revolutionary armed forces; defeated the two powerful imperialist enemies; and provided a firm military guarantee for carrying out the socialist cause. We also give the greatest honor and warmest gratitude to the respected and beloved Supreme Commander Comrade Kim Chong-il who brilliantly inherits and develops the *chuche* building cause, makes immortal achievements for the strengthening of our People's Army and for our revolutionary cause, and highly displays the honor and dignity of the Kim Il-song nation. [applause]

Comrades: Today, our revolution has entered a new historic turning point, and our party and people confront the honorary duty of inheriting and completing to the end the *chuche* revolutionary cause pioneered and led by the great leader [widaehan suryong] Comrade Kim Il-song.

However long and rugged the revolutionary road is, we will only defend the great leader's [widaehan suryongnim] behest and firmly walk along the single road of *chuche*. Truly, the People's Army has an important duty in inheriting the *chuche* revolutionary cause. The respected and beloved [kyongaehanun] Supreme Commander Comrade Kim Chong-il pointed out that the People's Army is the revolutionary armed forces of our party and its mission is to ensure the party's revolutionary cause by force of arms.

In the future, the People's Army should also fulfill its honorable mission in accomplishing the *chuche* revolutionary cause under the leadership of the party as it reliably supported and defended our revolution with heroic struggles in the past. The People's Army must highly uphold the slogan of becoming today's 7th Regiment defending the nerve-center [sunoebu] of the revolution of the whole army with a do-or-die spirit. Also, it must vigorously carry out the movement to gain [words indistinct] so that all officers and men can have faith in and follow only the respected and beloved [kyongaehanun] comrade supreme commander in whatever difficulties and thoroughly prepare themselves to become today's 7th Regiment defending the nerve-center [sunoebu] of the revolution with a do-or-die spirit and infallible guns and shells under the leadership of Comrade Kim Chong-il. [applause]

With the firm confidence that they will unfailingly win only if there is the respected and beloved general, all the soldiers should resolutely defend, adhere to, and add

luster to the immortal exploits for army building, which were performed by the great general. They should also thoroughly establish the party's leadership system in the People's Army so that the entire Army can faithfully carry out the orders and instructions of the respected and beloved comrade supreme commander without fail with the revolutionary military ethos and spirit.

The political and ideological superiority of the People's Army can display its invincible power only when it is combined with military and technical preparations. The People's Army should fully implement the training method and principle set forth by the party. In so doing, it should arm all the servicemen with our party's ideas on military strategy and its chuche-motivated war methods; should bring them up as one-a-match-for-100 fighters who are equipped with the high-standard combat capacity to meet the requirement of modern warfares; and should further strengthen the companies of the People's Army.

An iron discipline is the life of the revolutionary army. All the officers and men of the People's Army should intensify their study on military regulations and live according to the requirements of these military regulations. By doing so, they should perfect the look of the KPA as a regular army and make the units filled with the fighting spirit.

We should continue to thoroughly implement the party's self-defense military lines, and accomplish the work of making the entire Army a cadre army, modernizing the entire Army, arming all the people, and turning the entire country into a fortress on a higher level. We should also impregably cement an all-people defense system to resolutely defend and adhere to the popular mass-centered socialism of our own style under any circumstances. [applause]

The harmonious unity between the Army and the people is a firm guarantee for the victory of the revolution. With the spirit of devoted service to the fatherland and the people, officers and men of the People's Army should protect the people's life and property, and the people should establish the social ethos of valuing the military; and actively wage the work of devotedly looking after and assisting the People's Army as if they were their own flesh and blood. By doing so, they should consolidate the unity in ideology, will, morality, and moral obligation in every way.

Accelerating the socialist economic construction is a glorious work for the prosperity and enrichment of our country, our fatherland, as well as the most important task arising before our people at the present stage. By thoroughly implementing the party's revolutionary eco-

nomic strategy, we should strengthen the country's economic power and improve the people's living standards.

All the party members, servicemen, and working people should break through bottlenecks and difficulties on their own by highly displaying the spirit of Arduous March and should complete their entrusted duties to the end. They should achieve greater success in economic construction and in augmenting the combat capability. Thereby, we should steadfastly defend and endlessly add luster to our country's socialism, and brilliantly adorn this year, which marks the 70th anniversary of the great leader Comrade Kim Il-song's founding of the Down-With-Imperialism Union, as a historic year, as well as a year of fortune, in which the spirit of the socialist Korea is displayed under the red banner. [applause]

Today our revolution's atmosphere is very tense and acute. The South Korean puppet clique, which desperately opposes the country's reunification, is intensively making a military move comparable to the one made on the eve of a war trying to find a way out of its fate facing destruction from the provocation of a war, leading the situation to the dangerous brink of a war. The South Korean puppet clique's war commotions are becoming more reckless with the instigation of the U.S. extreme rightist conservative forces. It is preposterous that the U.S. military conservative forces are continuously bringing war means, such as missiles and nuclear weapons, to South Korea and its surrounding region, aiming them at us, and intentionally aggravating the situation; and that despite this the United States is making an issue of our nonexistent missile threat, attempting to shift the blame onto us for the aggravation of tension on the Korean peninsula.

The U.S. bellicose forces and the South Korean puppet clique are viciously perpetrating the maneuvers for military adventures against the Republic. For us to equip ourselves with modern weapons and beef up the country's defensive capability in the face of this situation is our right to self-defense.

In the face of the very grave situation in which the breakout of a war on the Korean peninsula is a matter of when, we have recently taken a self-defensive measure to prevent a war and defend peace and stability. This is very just. [applause]

Defending stability in the country and our socialist cause is the mission of the People's Army, and not only deterring any unanticipated aggression by the enemy at once but crushing the enemy by launching an (instant) and annihilating counterattack is our Army's traditional trait. [applause]

In response to the tense situation in the country, all officers and men of the People's Army, young people and students, and people in general are filled with an enemy-annihilating fighting spirit to become sharp-edged bayonets and scorching bullets and shells and mop up the enemy at a stroke if the respected and beloved supreme commander gives an order.

Defending Comrade Kim Chong-il, the respected and beloved supreme commander, under any circumstances and completing the chuche revolutionary cause to the end is the unchanging resolve and will of all officers and men of the People's Army and people. [applause]

If the South Korean puppet clique continuously inspires division and confrontation and ignites the fuse of a war after all despite our repeated warnings, our Army and people will thoroughly annihilate and mop up all of the enemy [wonsudurul hannomdo namgim opsi cholchohui kyongmyol sotanghago] and completely remove causes for war from the Korean peninsula. [applause]

Many obstacles are still ahead of our nation's struggle to defend peace in the country and achieve the cause of reunification through great national unity. However, as long as there is wise leadership in the party, the nation's common program on struggle, and the entire nation's firm will to achieve reunification, the cause of the fatherland's reunification will be achieved without fail. [applause]

Our revolutionary cause is just, and our victory is certain. [applause]

Our people and soldiers of the People's Army, who are flying the sacred red banner of Paektu under the great party's mature and tested leadership and resolutely fighting with the revolutionary outlook on life and belief that they should live today for the sake of tomorrow, are ever-victorious, and no force in the world can stop the solemn march of our revolutionary ranks in which the leader [suryong], party, and masses are in perfect harmony. [applause]

Let us all strongly unite around the party Central Committee and vigorously fight to achieve victory in the socialist cause and the independent, peaceful reunification of the fatherland. [applause]

Long live the revolutionary ideology of Comrade Kim Il-song, the great leader of our party and our people! [applause]

Long live the honorable Workers Party of Korea, the organizer and leader [hyangdoja] of all victories of the Korean people! [applause]

DPRK: Kim Chong-il Visits Command of KPA Large Combined Unit

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[FBIS Transcribed Text] Pyongyang, April 26 (KCNA) — The great leader Comrade Kim Chong-il, chairman of the national defence commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army [KPA], on April 25 visited the command of a large combined unit of the KPA in the western sector of the front on the occasion of its 64th founding anniversary and congratulated People's Army soldiers on the army foundation day.

Revolutionary and militant slogans including "Long live the respected Supreme Commander Comrade Kim Chong-il!" "Let us safeguard the headquarters of the revolution headed by the great Comrade Kim Chong-il with our lives!" and "Let us devote ourselves to the defence of the respected Supreme Commander Comrade Kim Chong-il!" were put up at the combined unit which was significantly greeting the Army foundation day, a national holiday of the Korean people and People's Army officers and men (April 25).

At 9 A.M., Comrade Kim Chong-il arrived at the command of the combined unit, when a storm of cheers of "hurrah!" shook the heaven and earth and slogans "We will devotedly defend him!" rang out loudly.

He was presented with flowers representing unbounded reverence of all the People's Army soldiers for him.

He was met by KPA Vice Marshal Cho Myong-nok, director of the General Political Department of the KPA, KPA Vice Marshal Kim Kwang-chin, first vice-minister of the People's Armed Forces, KPA vice Marshal Yi Ha-il, KPA Generals Kim Ha-kyu and Hyon Chol-hae, KPA Colonel Generals Kim Chong-kak, and Pak Chae-kyong and commanding officers of the combined unit.

He waved to the enthusiastically cheering soldiers and warmly congratulated the People's Army officers and men on the 64th anniversary of the founding of the KPA.

Conducted by the commander of the combined unit, he inspected the operation command room, the communication centre and other combat units of the command and acquainted himself in detail with its combat preparations.

He expressed deep satisfaction with the fact that all commanding officers of the unit have such a high capability as to skilfully command operations in the front and are prepared to defeat any surprise invasion by the enemy. And he outlined important tasks to be

fulfilled in further strengthening the KPA into invincible revolutionary armed forces.

Then he inspected historic buildings of the command associated with traces of the great leader President Kim Il-song.

The unit was visited by President Kim Il-song and Comrade Kim Chong-il in February 1963 and, later, on 32 occasions.

Dropping in at office rooms, the conference hall and other places, Comrade Kim Chong-il looked back with deep emotion upon those unforgettable days. And he said the immortal feats performed by President Kim Il-song for the chuche cause of Army building will remain forever in the hearts of the Korean people.

He saw, together with servicemen of the unit, a performance given by the merited chorus of the KPA song and dance ensemble, which won the order of Kim Il-song. Then he had a cordial talk with commanding officers and men of the unit over lunch.

He had a photograph taken with servicemen of the unit.

DPRK: Kim Chong-il Inspects Unit on KPA Founding Anniversary

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2100 GMT 25 Apr 96*

[FBIS Translated Text] Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], has visited the command of a large combined unit in the western sector of the front and congratulated the officers and men of the People's Army, on the occasion of the 64th anniversary of the founding of the KPA.

Comrade Kim Chong-il, the great leader [widaehan yongdoja] of our party and our people, chairman of the DPRK National Defense Commission, and supreme commander of the KPA, visited the command of the large combined unit in the western sector of the front and congratulated the officers and men of the People's Army celebrating Army founding day on 25 April, on the occasion of the 64th anniversary of the founding of the heroic KPA.

At the combined unit where it is significantly welcoming the KPA founding day, which is a national holiday of our people and officers and men of the People's Army, revolutionary and militant slogans including "Long live the respected and beloved [kyongaehanun] Supreme Commander Comrade Kim Chong-il!" "Let us safeguard the nerve-center [sunoebu] of the revolution with our lives headed by the great Comrade Kim

Chong-il!" "Let us fight by devoting our lives for the respected and beloved [kyongaehanun] Supreme Commander Comrade Kim Chong-il!" were put up.

The officers and men of the People's Army who were lined up to welcome the respected and beloved [kyongaehanun] comrade supreme commander, proudly recollected the honor-filled course of the KPA which was embroidered with the ever-victorious heroic feats while resolutely succeeding the chuche bloodline by upholding the great leader [widaehan suryong] over a long period of some 60 years from its founding up to the present, and were wrapped up in boundless emotion of gratitude toward the respected and beloved leader [kyongaehanun suryongnim] who made it possible to magnificently manifest our revolutionary armed forces into a dignified and mighty peerless strong force.

Comrade Kim Chong-il, supreme commander of the KPA, arrived at the command of the large combined unit at 0900 [0000 GMT]. Right at that time, storms of cheers of hurrah shook the heaven and earth, and sounds of the slogan, "We will defend him with the do-or-die spirit!" resounded vigorously.

The Supreme Commander Comrade Kim Chong-il received a flower basket filled with boundless sentiments of admiration of all the officers and men of the People's Army.

Comrade Kim Chong-il was received on the spot by Comrade Cho Myong-nok, director of the General Political Department of the KPA and vice marshal of the KPA; Comrade Kim Kwang-chin, first vice minister of the People's Armed Forces and vice marshal of the KPA; Comrade Yi Ha-il, vice marshal of the KPA; Comrades Kim Ha-kyu and Hyon Chol-hae, generals of the KPA; Colonel Generals Comrade Kim Chong-kak and Pak Chae-kyong; and commanding officers of the large combined unit.

Comrade Kim Chong-il returned the enthusiastic welcome of the soldiers and enthusiastically congratulated the officers and men of the People's Army, on the occasion of the 64th anniversary of the founding of the KPA.

While being ushered by the commander of the combined unit, Comrade Kim Chong-il inspected various combat units of the command including the operation command room and the communication center, and acquainted himself in detail with its combat preparations.

Comrade Kim Chong-il expressed great satisfaction over the fact that all commanding officers of the combined unit have such a high operational capability as to satisfactorily guarantee command operations in the front and are prepared to defeat any surprise invasion

by the enemy. He put forth programmatic tasks that are guidelines in further strengthening and developing the KPA into an invincible revolutionary armed forces.

Comrade Kim Chong-il then inspected the historic buildings of the command where the sacred traces of the great leader [widaehan suryongnim] can be witnessed. This combined unit has been honored with on-the-spot guidances on 33 occasions by the great leader [widaehan suryong] Comrade Kim Il-song and the respected and beloved [kyongaehanun] Supreme Commander Comrade Kim Chong-il including their historic on-the-spot guidance in February 1963.

Comrade Kim Chong-il inspected various places including office rooms and conference rooms and looked back with deep emotion upon those unforgettable historic days, and said that the immortal feats achieved by the fatherly leader [oboi suryongnim] for the chuche cause of army building will remain forever in the hearts of the our people.

On this day, together with the soldiers of the combined unit, Comrade Kim Chong-il saw a performance given by the meritorious chorus of the KPA song and dance ensemble which was awarded the honorary Kim Il-song medal, and exchanged cordial talks with the commanding officers and soldiers of the combined unit while sitting face to face with them over lunch.

Comrade Kim Chong-il took a commemorative photograph with the officers and men of the combined unit.

All the officers and men of the command of the combined unit of the western sector of the front were not able to refrain from the great emotion and happiness over the fact that the respected and beloved [kyongaehanun] comrade supreme commander, whom they yearned for even in their dreams, personally visited the unit on the significant Army founding day and spent the day with the soldiers and not only praised the holiday but gave an important teaching which is a guideline in strengthening the unit's militant might, and bestowed them with paternal love and benevolence. They were overflowing with the blazing determination to thoroughly implement our party's militant line to strengthen in every direction the unit's militant might so that they can destroy the rascals in a single blow if the enemies attack and to defend with their lives the nerve-center [sunoebu] of the revolution with the do-or-die spirit.

DPRK: Events Mark Korean People's Army Foundation Day

*SK2604054496 Pyongyang KCNA in English
0350 GMT 26 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 26 (KCNA) — Various events took place in Korea to mark the 64th anniversary of the heroic Korean People's Army on Thursday.

An evening entertainment of young people and students in Pyongyang was held at Kim Il-song square.

It was attended by Politburo member of the Workers' Party of Korea Central Committee and Vice-President Yi Chong-ok, chairman of the Korean Social Democratic Party Central Committee and Vice-President Kim Pyong-sik, other senior officials, anti-Japanese revolutionary veterans, generals of the KPA, war veterans, young people and students.

The participants sang and danced with deep reverence for the great leader President Kim Il-song, who founded and constantly strengthened the chuche-type revolutionary armed forces.

To the tune of "Let Us Become Soldiers of the General," "Let Us Uphold Our Supreme Commander With Arms" and other songs, the youth vanguards danced with enthusiasm, renewing their commitment to staunchly fight to defend the respected General Kim Chong-il with their lives as a reserve combat force and detached force of the supreme commander.

A meeting of combat heroes of the DPRK and students in Pyongyang was held at the monument to the fallen fighters of the People's Army.

The heroes expressed belief that the younger generation would unreservedly demonstrate the stamina of the young Koreans as vanguard fighters defending with their lives the headquarters of revolution led by General Kim Chong-il as the heroic soldiers did during the war.

The university students said they were fully preparing themselves to discharge the mission of the reserve combat force of the supreme commander. If the enemies unleash another war in Korea, they said, they will become rifles and bombs for General Kim Chong-il, who represents their destiny and future.

A joint celebration of servicemen and civilians took place at the central workers house. The performers proudly sang of the great honor and happiness of the Korean people and the KPA soldiers under General Kim Chong-il, who is leading the revolutionary armed forces along the road of victory and glory with an iron will and matchless courage.

Art performances were given at theatres in the capital and local areas.

DPRK: Pak Song-chol, Party, State Officials Visit KPA Units

*SK2604054596 Pyongyang KCNA in English
0345 GMT 26 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 26 (KCNA) — Senior party and state officials including Pak Song-chol, Han Song-yong and So Yun-sok, senior officials of commissions and ministries of the administration council, central organs and local party and power bodies, administrative and economic organs visited units of the Korean People's Army [KPA] on the 64th founding anniversary of the heroic Korean People's Army.

The senior party and state officials warmly congratulated the KPA officers and men on the KPA founding anniversary, a national holiday, and conveyed gifts from the great leader Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army, to the KPA units.

Upon receiving the warm love and benevolence on their holiday the soldiers renewed their loyal commitment to become rifles and bombs defending the respected supreme commander politically and ideologically and with their lives and to reliably guarantee the party's cause, socialism, by force of arms. The senior party and state officials inspected combat and political trainings of the servicemen and their optimistic life, told them how things were going on in the rear and encouraged them to repay the trust and love of Comrade Kim Chong-il with loyalty.

The people's delegations also visited units of the Korean People's Army and warmly congratulated them on the significant army foundation day.

Ceremonies conveying the gifts from Comrade Kim Chong-il were held at the KPA units in the presence of the people's delegations.

DPRK: Increase in Power Production in DPRK Reported

*SK2604105596 Pyongyang KCNA in English
0743 GMT 26 Apr 96*

[FBIS Transcribed Text] Pyongyang, April 26 (KCNA) — Power production is on the increase in Korea.

According to data available, the power output in the last 20 or more days showed an increase of 14 percent above the same period last year.

In this period, the Hochongang Power Station turned out several thousand more kwh of electricity by operating facilities at full capacity.

The Kanggye Youth and Changjingang Power Stations are these days increasing their daily output respectively by five and four percent as against earlier this month by organising and directing production in a well-knitted way.

The Pyongyang and Pukchang Thermal Power Complexes and other thermal power plants across the country are producing much electricity every day.

South Korea

ROK: ROK, U.S. Consider Expanding 4-Way Talks to 6-Way Talks

*SK2604010096 Seoul KBS-1 Radio Network
in Korean 2300 GMT 25 Apr 96*

[FBIS Translated Text] It has been learned that the ROK and the United States are examining a flexible plan in which, if the four-way talks are realized and a certain level of progress is made, the talks may be expanded to six-way talks including Russia and Japan. Following is a report by correspondent Yi Chong-su from Washington:

[Begin Yi recording] It was learned that the ROK and the United States have taken the flexible position that if North Korea accepts the four-way talks and demands Russia's participation, they may be able to expand and develop the talks into six-way talks with the participation of Russia and Japan after some progress is made in the four-way talks.

A well-versed diplomatic source in Washington said today that the ROK and the United States have been examining the possibility of expanding the four-way talks if North Korea insists on Russia's participation as a condition for accepting the four-way talks and if Russia also strongly insists on it, to six-way talks with the participation of Russia and Japan after some progress is made in the four-way talks.

This source recollected that while explaining the background of the four-way talks during the summit between ROK President Kim Yong-sam and U.S. President Clinton on 16 April on Cheju Island, a high-ranking U.S. Government official revealed that if the four-way talks were realized, the participation of Russia and Japan might be considered in the future. This does not mean indirect contribution by Russia and Japan through other methods but leaves room for the possibility of allowing them to directly participate in the four-way talks so that it can be expanded to six-way talks. This source said this was coordinated with the ROK in advance. [end recording]

ROK: DPRK Official in Atlanta Views 4-Way Talks, N-S Relations

SK2604062996 Seoul KBS-1 Radio Network in Korean 0500 GMT 26 Apr 96

[Report by correspondent Pak Won-hun from Atlanta]

[FBIS Translated Text] Yi Chong-hyok, vice chairman of the North Korean Asia-Pacific Peace Committee who is visiting Atlanta to participate in a cartographers' meeting in the United States, had an informal session with ROK correspondents today. In the meeting, Vice Chairman Yi Chong-hyok said North Korea will have to review the details of the proposal [cheui naeyonge taehan komtoga monjo irujoya halkosirago marhaessum-nida] before giving an affirmative or negative response.

The vice chairman said that inter-Korean relations will head for a breakthrough because the overall atmosphere for it is in the making. As to inter-Korean dialogue, he said North Korea is waiting for the South Korean response to the North's proposal for resumption of the Beijing talks.

Vice Chairman Yi Chong-hyok said Kim Chong-il's succession to the North Korean presidency will be made after the official mourning period, adding that the mourning period is usually three years according to North Korean custom.

The seven-member North Korean delegation led by Vice Chairman Yi Chong-hyok is expected to visit up-to-date industrial plants and have a series of contacts with major figures in governmental and nongovernmental organizations of the United States besides attending the inter-Korean seminar on reunification of the Korean Peninsula.

ROK: U.S. Said To Set Conditions For Lifting Sanctions on DPRK

SK2604031396 Seoul YONHAP in English 0158 GMT 26 Apr 96

[FBIS Transcribed Text] Tokyo, April 26 (YONHAP) — The United States has proposed that if North Korea renounces terrorism, returns the remains of American servicemen killed in the Korean war and continues the missile talks, it would lift economic sanctions on the communist country, the SANKEI SHIMBUN reported Friday, quoting a U.S. State Department source.

The three conditions were outlined during the recent unofficial contact with a North Korean delegation to a George Washington University seminar on economic development prospects on the Korean peninsula, and are intended to improve relations with the Stalinist country by drawing it to the four-nation meeting proposed

by Seoul and Washington to reduce tensions on the peninsula, the source said.

Earlier this year, Pyongyang advised Washington that it would accept the demand for giving up international terrorism, but the recently-uncovered involvement of a Japanese hijacker, who has been in North Korea since he took a plane to that country in 1970, in a greenback counterfeiting ring operating in Southeast Asia has prompted the U.S. Government to continue pressing North Korea to wash its hands of terrorism, the conservative Japanese-language daily said.

The U.S.-North Korea missile talks were held in Berlin over the weekend, but the schedule for the next round has not yet been agreed on.

North Korea has asked Washington to explain about details of the four-way peace meeting proposal, but U.S. officials suspect that North Korea's "positive" stance on the proposal is camouflage for its true intention of having direct dialogue with the United States only, the newspaper remarked.

Another Japanese-language daily, the YOMIURI SHIMBUN, reported in a Seoul-dateline story that U.S. officials had told North Korean officials in a recent New York meeting that the U.S. Government would promote economic cooperation with North Korea, easing economic sanctions, if they participate in the proposed four-nation peace talks on the Korean peninsula.

Last Friday, Richard Christenson, deputy director of the State Department's Korea desk, met Minister Han Song-ryol of the North Korean mission to the United Nations, in New York and discussed easing U.S. economic sanctions, American corporate investment in the Najin-Sonbong free trade area and U.S. support in North Korea's efforts to increase trade with Western nations, the YOMIURI said.

North Korea's response to the three conditions were not made known.

ROK: ROK To Purchase Missiles From U.S. Manufacturers

SK2604032796 Seoul THE KOREA TIMES in English 26 Apr 96 p 3

[FBIS Transcribed Text] South Korea plans to additionally purchase dozens of advanced AIM-9 heat-activated air-to-air missiles from Raytheon and Loral, U.S. manufacturers of the standard air defense weapon of the F-16 Fighting Falcon jet fighter.

The missiles, priced at 89,000 dollars apiece, are capable of intercepting flying targets at distances of up to 7

kilometers. A fully armed F-16 can carry up to eight such missiles, the ministry said.

The ministry, which first adopted the weapon system in 1991, is stocking up on the missiles to arm ROK Air Force jet fighters.

Besides the purchase of these missiles, the ministry has also approved the purchase of combat multi-purpose excavators, next-generation AM radios and a simulator designed to help field gunners to zero in on targets.

ROK: Yi Chong-hyok Considered 'Kim Chong-il's Special Envoy'

*SK2604131796 Seoul CHOSON ILBO in Korean
25 Apr 96 p 7*

[Report by reporter Ku Song-chaek]

[FBIS Translated Text] A North Korean delegation led by Yi Chong-hyok, vice director of the Workers Party of Korea, arrived in New York on 24 April. Yi is the first high-level official in charge of foreign affairs that North Korea has sent to the United States since the proposal for four-way talks was put forward on 16 April.

The delegation's visit to New York is attracting much public attention because of the level of the delegation, its itinerary, and the timing of the visit. In particular, some note that Yi Chong-hyok might be assigned with the mission of being "Kim Chong-il's special envoy" to sound out the U.S. Government and public opinion on the proposal for four-way talks.

The public purpose of the North Korean delegation's visit is academic. The delegation is supposed to attend a seminar on the Korean peninsula to be held at the Carter Center in Atlanta, Georgia, on 26 April, and to deliver a speech at Georgia University on 29 April. However, it is expected the delegation will promote certain "political negotiations" regarding the proposal for four-way talks.

A Foreign Ministry official said Kim Chong-u, vice chairman of North Korea's External Economic Committee, is now staying in Washington D.C., and that "North Korea is planning two or three more visits to the United States." However, none of these seem to have as much political weight as the visit by Yi Chong-hyok and his party. Yi Chong-hyok played an important role in introducing Japanese rice to North Korea.

Whether he will contact former President Jimmy Carter is a matter of the greatest concern. Foreign Ministry officials are only suggestive about this, saying: "Though their meeting schedule has yet to be announced, it is highly possible Yi will meet with Carter." Former President Carter has played a role whenever the Korean peninsula faces a dilemma.

Observers feel Yi Chong-hyok will convey Kim Chong-il's message when he meets with Carter. They assume the message will probably include the proposal for four-way talks, U.S.-North Korea cooperation in improving relations, North Korea's participation in the 1996 Atlanta Olympics, and the invitation of Carter to North Korea.

As a special envoy, Yi Chong-hyok will likely ask for Carter's advice on the proposal for four-way talks. North Korea has been driven into a diplomatic corner due to the proposal, which was jointly proposed by the ROK and U.S. presidents and which is supported by the PRC. Under this situation, North Korea is seeking a way out of the deadlock.

Accordingly, it is highly likely North Korea will ask Carter to take part in a possible revised proposal regarding the four-way talks. If Carter accepts North Korea's request, his visit to North Korea may come about quite soon.

The improvement of U.S.-North Korea relations will also be discussed between Yi Chong-hyok and Carter. When they held talks in 1994, Carter and Kim Il-sung reportedly exchanged memorandums that included a schedule for improving U.S.-North Korea relations. Accordingly, it appears Yi Chong-hyok will remind Carter of this, and will ask him to exercise his influence to accelerate the improvement of relations between the two countries. Since, reportedly, U.S. State Department officials will also attend the seminar at the Carter Center, it is expected Yi will sound out their position on the proposal for four-way talks.

As regards the proposal for four-way talks, North Korea has kept silent since it reacted on 18 April, saying "it is under consideration." However, it is felt North Korea is strengthening an offensive against the United States by secretly sending the Yi Chong-hyok-led delegation to the United States for a spot survey so as to plan its future moves.

ROK: Coca Cola, CNN Deny 'Support' for Carter Center Meeting

*SK2604081996 Seoul YONHAP in English
0753 GMT 26 Apr 96*

[FBIS Transcribed Text] Washington, April 25 (YONHAP) — A ranking North Korean Workers' (communist) Party official on Friday reportedly hinted at the possibility of inter-Korean relations taking a turn for the better.

Yi Chong-hyok, a vice director of the workers' party now visiting Atlanta, Georgia, heading a seven-member delegation to a Christian scholars' meeting at the Jimmy

Carter Center, was quoted as saying, "the overall North-South relations will, for that reason, go well."

He made the remark when asked to give his view about the prospects for Korean reunification in a get-together arranged before a full-dressed meeting.

Pressed to go into detail, according to a participant in the meeting, Yi said, "Now that we are coming here often to meet, shouldn't politics go well either?"

Asked to comment on the four-nation peace talks on the Korean peninsula recently proposed by South Korea and the United States, he said Pyongyang has not yet made any official response and added, "No reaction is a reaction, too, isn't it?"

Noting that Pyongyang "has not received the proposal directly," Yi said, "We have to undo the bundle."

The North Korean delegation includes Choe Song-tok, chairman of the Korean Committee for Aiding Overseas Compatriots, and Pak Sung-dok, chairman of the National Issues Study Association.

South Korea is also represented by a five-member delegation, including former deputy prime minister Han Wan-sang, Yonsei University professor Yi Sin-heng and Hallim University professor Kim Yong-kwan.

A source from the meeting, commenting on the guarded speculation that there will probably be a political contact between South Korea's Han and North Korea's Yi during the meeting, said there is a "slim" possibility of such a meeting.

An official of Coca Cola's Atlanta office denied as groundless a recent press report that Yi will visit his office for business talks during his stay in the city.

He also dismissed the report that Coca Cola and the CNN have provided financial support to the meeting as untrue.

Coca Cola has not studied a plan to enter the North Korean market, nor is it planning to in the near future, he said.

A CNN official said that his company, despite its interest in news coverage in North Korea, does not at all feel the need to open a bureau in Pyongyang at this juncture.

Press reports that one of Yi's assignments in Atlanta is business consultation with the CNN are not true, and CNN Vice President Eason Jordan's attendance in the meeting should be simply taken as his saying "hello" to the friends he made during his several visits to North Korea, he said.

ROK: AFKN-TV To Return VHF Channel, Switch Over to UHF Channel

SK2604112496 Seoul YONHAP in English
0249 GMT 26 Apr 96

[FBIS Transcribed Text] Seoul, April 26 (YONHAP) — The American Forces Korea Network (AFKN)-TV will return its VHF (very-high frequency) channel in Seoul to the South Korean Government to use the UHF (ultra-high frequency) Channel 34 instead at 11:00 AM [0200 GMT] on April 30, the Information and Communication Ministry said Friday.

The ministry said it has completed the work to install a UHF broadcasting transmitter in the American network's transmitting station on Mt. Namsan.

Barring major technical problems during the test operation of the equipment, the ministry said, AFKN-TV's VHF channel will be returned April 30 as scheduled.

Channel Two has been used by the American forces since Sept. 15, 1957, and the government has negotiated with the U.S. Forces Korea since October 1991 to get it back.

ROK: Group Demands SOFA Revision, U.S. Apology for Forest Fire

SK2604134396 Seoul KBS-1 Radio Network
in Korean 0700 GMT 26 Apr 96

[FBIS Translated Text] Some 50 members of the Headquarters of the Movement for the Eradication of Crimes by the U.S. Forces in Korea held a protest meeting in front of the front gate of the U.S. Eighth Army in Yongsan-ku, Seoul, at approximately 1200 [0300 GMT] on 26 April, denouncing the U.S. military authorities in connection with the disastrous forest fire near the U.S. Second Army Division in Tongduchon. During the meeting, they demanded the revision of the ROK-U.S. Status of Forces Agreement [SOFA] and an official apology by U.S. military authorities.

They stressed that the fundamental reason for this accident lies in the lack of guarantees in the current SOFA that allows the ROK Government to manage and supervise U.S. Army bases in the ROK, and demanded that the SOFA be revised to prevent similar accidents from occurring again.

ROK: Minister Urges U.S. Flexibility on Telecom Issues

SK2604080496 Seoul THE KOREA HERALD
in English 26 Apr 96 p 8

[FBIS Transcribed Text] Korea suggested the United States to be more flexible in resolving the stalemates

in the WTO (World Trade Organization) telecommunications talks yesterday between top trade officials in Singapore, a spokesman for the Ministry of Trade, Industry and Energy said yesterday.

Pak Chae-yun, MOTIE minister, and Jeffery Lang, deputy trade representative of USTR (U.S. Trade Representative) had a one-on-one discussion yesterday afternoon. The two were among those attending the WTC (World Trade Congress) now in progress in the city state.

Both Pak and Lang conceded slow progress in the WTO telecommunications accord. The agreement was originally scheduled to be completed by the end of this month.

The main bone of contention is over how to determine the participation of equipment makers and service providers in foreign markets.

Through the accord a telecommunication leader like the United States stands to gain enormously by gaining access into the markets of WTO member nations.

The U.S. representative reportedly said the chances of WTO member nations striking an agreement by the end of this month is highly unlikely.

The Korean minister, in response, voiced the need for a flexible approach on the part of the United States.

A MOTIE spokesman said, "The minister conveyed that for the agreement to be reached, Korea is pulling all-out efforts suitable to her current market conditions."

The market-opening issues in the telecommunication sector are gaining a particular momentum in Korea, given the country's soaring demand and also the government's awarding of the coveted PCS (personal communications service) license in June.

In the cellular phone market alone, SBC Warburg projects Korean subscribers to number 10 million by the year 2004, up from a little more than 2 million this year.

Virtually all big names in the Korean industries are competing for the license in partnerships with Western companies many of whom are U.S. firms.

The Korea-U.S. trade relations in the telecommunications sector in recent year have also been sensitized here by a reversal in trade pattern.

Korea's trade surplus in the sector against the United States turned into a mounting deficit since 1993 due to the arrival of advanced telecommunications gadgets such as mobile telephones and other wireless equipment.

The country's 1995 deficit with the United States in the telecommunications equipment market reached \$307 million up from \$270 million in 1994, according to Korea Trade Information Service.

ROK: Kim Yong-sam Says DPRK To Accept Talks 'In the End'

SK2604120896 Seoul YONHAP in English
1201 GMT 26 Apr 96

[FBIS Transcribed Text] Berlin, April 26 (YONHAP) — South Korean President Kim Yong-sam said North Korea would in the end accept the proposed four-way talks for peace on the Korean peninsula, the newspaper FRANKFURTER ALLGEMEINE reported Friday.

The German daily said that in an interview with the paper on Thursday [25 April], President Kim said North Korea should abandon the wild dream of driving a wedge between South Korea and the United States.

North Korea is now employing a delaying tactics, President Kim said, adding that he is sure that Pyongyang would have no way but to accept the offer ultimately.

On the issue of giving assistance to North Korea, President Kim said his government is basically willing to furnish help to the North.

But, no assistance can be furnished in a circumstance in which the North slanders himself and his government and agitates violent revolution, the daily quoted the president as saying.

He was quick to add, however, that his government would do all it can to improve relations with North Korea step by step and replace the armistice agreement signed 43 years ago with a peace agreement.

President Kim also said the idea of four-way talks has been conceived since long ago.

"Initially we planned to make the proposal on last year's liberation day of August 15, but we put it off until U.S. President Bill Clinton's recent visit to South Korea to add weight to the offer," the president reportedly said.

He said China, Russia and Japan were notified of the offer in advance and North Korea was informed of it through Indonesia two days before the announcement of the proposal.

President Kim went on to say that he doesn't know 100 percent how North Korea's situation would develop, adding, however, all indications are that their economic situation has extremely deteriorated and politics remain unstable.

ROK: ROK 'No Comment' on DPRK Reaction to Talks

SK2604121796 Seoul YONHAP in English
1212 GMT 26 Apr 96

[FBIS Transcribed Text] Seoul, April 26 (YONHAP) — The government's official reaction to the North Korean news agency report that South Korea cannot take part in the issue of ensuring peace on the Korean peninsula, is "no comment." Kim Kyong-ung, spokesman of the National Unification Ministry (NUM), said Friday evening.

North Korea's official Central News Agency said earlier in the day that "South Korea which was dead opposed to the Armistice Agreement and did not sign it, cannot participate in the issue of ensuring peace on the Korean peninsula, a question which ought to be resolved between ourselves and the United States."

ROK: ROK Prepares Concretely for Four-Way Talks

SK2604105296 Seoul YONHAP in English
1045 GMT 26 Apr 96

[FBIS Transcribed Text] Seoul, April 26 (YONHAP) — The government has begun to prepare concretely for the four-way talks proposed recently by the South Korean and American presidents, convinced that North Korea would agree to the overture before long, a government official said Friday.

The official who did not want to be identified said his government is working on the method of running the proposed talks as well as on the offers the South would make to North Korea once the talks get under way.

Seoul's basic plan, he said, is to tackle inter-Korean economic issues parallel with the question of concluding a peace agreement at the four-way meeting.

"We mapped out a guideline for operating the proposed talks and obtained Washington's nodding of it prior to the announcement of the proposal," the official said.

He said that when North Korea and China come to the four-way talks, the method of conference operation would be discussed at the first session based on the South's plan.

South Korea and the U.S. did not suggest the level, agenda topics, site and other details of the meeting lest it should give the impression that North Korea and China are led around by the one-sided initiative of South Korea and the United States, he said.

As to the topics of the talks, the official said it is no wonder that the question of a peace agreement would be the matter of top-most concern at the meeting

because the talks are designed to begin a process of preparing an agreement for permanent peace on the Korean peninsula.

"However, since it would take quite a long time to arrive at a peace agreement because there should first be confidence building, arms reduction and guarantee for the implementation of a peace agreement, we plan to take up at the proposed talks issues pending between South and North Korea and those between Washington and Pyongyang simultaneously," the official said.

As to questions facing the two Koreas he cited the issues of additional rice delivery, expansion of economic cooperation and exchanges between dispersed family members.

The issues facing the United States and North Korea include Washington's additional easing of economic sanctions against North Korea and ensuring of North Korea's access to the U.S. market, he said.

The official also said South and North Korea should be the main role players in the four-way talks, reasoning that the two Koreas are the direct parties involved so far as a peace mechanism on the Korean peninsula is concerned.

Regarding the level of delegates to the talks, South Korea's plan is to have minister-level officials open the proposed talks with subsequent sessions to be held among vice-minister-level officials.

South Korea believes the talks should be held somewhere on the Korean peninsula.

"But, we will not stick to the peninsula at least until the meeting gets in full swing in consideration of North Korea's position," the official said.

ROK: Further on DPRK Official's Remarks on Four-Way Talks

SK2604091196 Seoul KBS-1 Radio Network
in Korean 0800 GMT 26 Apr 96

[By Washington-based correspondent Pak Won-hung]

[FBIS Translated Text] Yi Chong-hyok, vice chairman of North Korea's Asia-Pacific Peace Committee, hinted on 26 April that North Korea is carefully considering the significance of the four-way talks proposal. Vice Chairman Yi Chong-hyok, who is visiting Atlanta to attend a Christian meeting, met with ROK reporters on 26 April. At the meeting, he stressed: North Korea is not yet ready to accept or oppose the four-way talks proposal and needs to review the content of the proposal first.

Vice Chairman Yi Chong-hyok also said that North Korea wants to be given a convincing explanation of the four-way talks proposal. He viewed that South-North relations will be improved smoothly in light of the general atmosphere.

The remarks by Vice Chairman Yi Chong-hyok hinted that North Korea has a flexible position on the four-way talks proposal and South-North relations; this attracts public attention because Yi Chong-hyok is an influential North Korean figure whose position obliges him to make responsible remarks.

ROK: Rumors of Secret Contact Continue Despite ROK's Denial

*SK2604032396 (Internet) The Digital Choson Ilbo
WWW in English 1226 GMT 25 Apr 96*

[FBIS Transcribed Text] The government flatly denied Thursday the Japanese report that South and North Korea are undergoing secret discussions regarding four-party talks, saying "there is no ongoing contact at this moment." Despite this denial, rumors of secret contact between the two governments have not dissipated.

There is currently no official channel of communication between North and South Korea, but there are several indirect channels. The most active channel is in Beijing. According to an official at the Ministry of National Unification, "the Beijing line" was successfully utilized during the North-South rice talks. Another channel is through the Samcholli Corporation which currently conducts business with the Daewoo Corporation.

A third channel is through Korean Americans who have visited North Korea at the time of Kim Il-song's birthday on April 15. An official of the government said that "We have several messengers who maintain contacts with both North and South Korea and have relayed hi-level messages to both sides."

ROK: DPRK Official Expresses Hope for ROK Rice

*SK2604034596 (Internet) The Digital Choson Ilbo
WWW in English 1220 GMT 25 Apr 96*

[FBIS Transcribed Text] Yi Chong-hyok, Vice-Chief of North Korea's Asia Peace Committee expressed hope for rice assistance from South Korea. Yi arrived in Atlanta on Wednesday. He was asked about the food situation in North Korea and he responded that there was "tension" and that "it's better if the nearest countries help us, but they don't."

Yi met with the president of the international department at and discussed the possibility of dispatch to Pyongyang. He is also set to visit American businesses such as Coca-Cola, which is headquartered in Atlanta.

Moreover, Yi will participate in two academic seminars sponsored by the U.S.-North Korean Christian Scholars Society to be held Friday and Monday. Officials of the U.S. and North Korean government will participate in Monday's seminar program.

ROK: Defector Reveals Forgery of Dollars in Pyongyang

*SK2604032596 (Internet) The Digital Choson Ilbo
WWW in English 1220 GMT 25 Apr 96*

[FBIS Transcribed Text] Cha Song-kon, the North Korean defector and agent of North Korea's Labor Operations Department said Thursday that in Pyongyang there is a special place where forged U.S. dollars and passports can be obtained. The so-called 314 Liaison Office, where these items can be bought, is under the direction of North Korea's Operations Department. It is here they also produce the Korean won. An instructor at the Operations Department training camp told him just before he was sent to Zambia that "there are 200- 300 forged Bangladesh passports which can be taken to Zambia to be sold for \$200 a piece." Cha defected to Seoul last January from Zambia.

ROK: University Heads To Push for Talks With DPRK Counterparts

*SK2604032096 Seoul YONHAP in English
0114 GMT 26 Apr 96*

[FBIS Transcribed Text] Seoul, April 26 (YONHAP) — University presidents tentatively decided to push for a meeting with their North Korean counterparts in an effort to initiate an inter-Korean exchange between universities, a source at the Korean Council for University Education (KCUE) said Friday.

Pak Hong, president of Sogang University, proposed in a seminar held at the "63-story building" in Yoido, Seoul that university presidents in South and North Korea hold a meeting Aug. 15 this year for university educational exchanges in preparation for possible unification.

The KCUE already accepted Pak's proposal and plans to notify the government of its plan for the meeting soon, the source said.

The organization of university presidents is also going to discuss ways of realizing the meeting with the National Unification Ministry officials, the source said.

ROK: KEDO Survey Team To Visit Simpo, North Korea 27 Apr

SK2604004096 Seoul KBS-1 Radio Network in Korean 2100 GMT 25 Apr 96

[New York-YONHAP]

[FBIS Translated Text] The Korean Peninsula Energy Development Organization [KEDO] has announced that the fifth lot survey team will visit North Korea tomorrow [27 April] to conduct survey activities in Sinpo, South Hamgyong Province, a proposed site for building light-water reactors in North Korea.

A KEDO official concerned revealed that the fifth lot survey team led by (Mulligan), a technological adviser to the general secretary of the KEDO, will start basic survey activities for building roads and other facilities at the light-water reactor site in Sinpo until 7 May, beginning tomorrow [27 April].

He stated that during this period, the survey team will conduct various survey activities for building some facilities necessary for building light-water reactors, including an 8-km road from Yanghwa wharf to the proposed reactor construction site and temporary quarters for construction workers.

The lot survey team is composed of 13 members including technicians from the Korea Electric Power Corporation, the main contractor of the light-water reactor construction.

ROK: Deputy Prime Minister Meets Japanese Coalition Delegation

SK2504122596 Seoul TONG-A ILBO in Korean 25 apr 96 p 2

[FBIS Translated Text] On 24 April, Kwon O-ki, deputy prime minister and minister of National Unification, met with a delegation of the Japanese ruling coalition headed by Taku Yamasaki, chairman of the Policy Affairs Research Council of the Liberal Democratic Party. They exchanged views on such matters as their North Korea policy and the political situation in East Asia.

According to Kim Kyong-ung, spokesman for the Ministry of National Unification, who also attended the meeting, Deputy Premier Kwon said that negotiations on establishing diplomatic relations between Japan and North Korea, as well as other efforts to improve bilateral ties, should be made in ways conducive to peace on the Korean peninsula, and that it is desirable to pursue an improvement in North Korea-Japan relations in step with an improvement in South-North relations. Deputy Premier Kwon also stressed that the ROK-U.S. proposal for four-party talks is a significant proposal to establish a peace mechanism on the Korean peninsula, and asked

Japan to actively cooperate in persuading North Korea to accept the talks.

ROK: South Cholla Signs Cooperation Pacts With PRC Regions

SK2504122796 Seoul YONHAP in English 1146 GMT 25 Apr 96

[FBIS Transcribed Text] Kwangju, April 25 (YONHAP) — South Cholla Province Governor Ho Kyong-man, now on a tour of China, has signed friendship, exchanges and cooperation agreements with Jiangsu and Shandong Provinces of China. Ho's office here reported Thursday.

It said Ho signed an agreement with Governor Zheng Silin of the Jiangsu Province Wednesday [24 April] and another with Governor Yi Chontin of the Shandong Province Thursday.

The report said governor Ho also obtained a favorable response from the Chinese governors to his proposal for a Yellow Sea-rim mayors and governors' meeting some time next year in his province.

The proposal was that the administrative heads of four west coast provinces — South and North Cholla, South Chongchong and Cheju-do — of Korea and four areas — Shanghai, Zhejiang, Jiangsu and Shandong — of China meet to ensure close cooperation among their areas in the 21st century, according to the report.

ROK: Sports, Culture Minister To Promote ROK-African Sports Ties

SK2604113396 Seoul YONHAP in English 0836 GMT 26 Apr 96

[FBIS Transcribed Text] Seoul, April 26 (YONHAP) — Sports and Culture Minister Kim Yong-su will depart for Mauritius Saturday [27 April] for a trip to discuss athletic and cultural exchanges and cooperation between South Korea and African nations.

During his stay in Mauritius, Kim is scheduled to sign an agreement in sports and culture.

He will also donate 100,000 U.S. dollars to the United Nations Educational, Scientific, and Cultural Organization's World Heritage Fund on May 7.

Kim will then attend a ministerial-level meeting on "governmental support for sports and youth activities in developing nations" at the International Olympic Committee in Lausanne, Switzerland, on May 8.

He will return to Seoul May 10.

ROK: Three Canadian Warships To Visit Incheon, Pusan 29 Apr

SK2604113596 Seoul YONHAP in English
0518 GMT 26 Apr 96

[FBIS Transcribed Text] Seoul, April 26 (YONHAP) — Two Canadian warships, the HMCS Winnipeg and Protecteur, will visit the port city of Incheon from Monday to next Friday [29 April to 3 May], the Canadian Embassy in Seoul announced Friday.

A third vessel, the HMCS Algonquin, will visit Pusan during the same period.

The vessels are part of a Canadian naval squadron that will participate with the South Korean naval in maneuvers off the islands of Midway [sentence as received].

The three ships will be greeted Monday at their respective destinations with official welcoming ceremonies and will depart next Friday after farewell ceremonies.

ROK: Military To Build Simulated War Game Training Facility

SK2604061896 Seoul THE KOREA TIMES in English
26 Apr 96 p 3

[FBIS Transcribed Text] Perhaps what counts most in a real battle situation is experience, as this can be the difference between life and death for the combatants. Thus military leaders in peacetime try hard to provide war games as close to reality as possible for their soldiers.

A conspicuous alternative in this age of electronics may be a computerized training facility simulating a variety of battle conditions without causing actual casualties. This system, which is only available in powerful countries, will be introduced by 2000 in South Korea, enabling its soldiers to maximize their combat preparedness.

According to the Defense Training Command yesterday, a highly sophisticated MILES, or multiple integration laser engagement system facility, will be built on a lot of 3,200 pyong (one pyong is equivalent to 3.3 square meters) in Injae and Hongchon, Kangwon-to. A total of 230 billion won will be earmarked for the construction of the facility.

A number of virtual reality combat situations can be simulated depending on the needs and purposes of training. For instance, individual-to-individual combat situations can be created so soldiers using rifles tipped with laser shooters can engage in combat. The soldiers shot by the device (of course no soldiers are wounded)

are counted out by computer in much the same way as a "survival game" is conducted.

And this technique will be applied to tank-to-tank battles or infantry-to-tank battles. Variations are countless.

A training command spokesman said, "This training produces no explosions and no firing sounds, which mean that nearby residents will not be disturbed even at the height of battles."

"But perhaps the most important benefit from it is that ROK Army leadership will be able to assess the capabilities of their field units by playing them off," he said.

However, the MILES is not the first sophisticated war game simulated program for the ROK Armed Forces. ROK Army has brought in locally developed BCTP [battalion command training program] programs that can link up the Army Headquarters in Taejon, central Korea, with frontline divisions in a time of armed conflict by computer on a real-time basis.

"The introduction of the two systems are proof that ROK Armed Forces are not being left behind in the electronic age but are catching up fast," one military expert observed.

ROK: Brush Fire Leaves 162 People Homeless

SK2404131796 Seoul YONHAP in English
1243 GMT 24 Apr 96

[FBIS Transcribed Text] Kosong, Kangwon Province, April 24 (YONHAP) — A brush fire, that started at an Army firing range Tuesday noon, has been spreading fast at the Chukwang-myon area of Kosong County here, leaving 162 villagers homeless and threatening the nearby Sorak National Park as of Wednesday evening.

The fire reduced to ashes 70 houses in five villages. Property damage was estimated at 950 million won, which included, besides the homes destroyed, 32 stalls and 38 warehouses burnt down and 27 heads of cattle killed or missing.

Kosong County authorities mobilized 8,000 Civil Defense Corps members and volunteer fire fighter and 11 helicopters to battle it, but the fire, fueled by strong winds, was spreading uncontrollably.

The fire already gutted 2,250 hectares of forest lands, more than half of the whole Chukwang-myon area, and was approaching the areas of nearby Kansong-up and Tosong-myon.

At one point, the fire was only 10 kilometers from the jamboree training yard of the Sorak Mountains National Park.

A preliminary investigation showed that the fire was ignited by a hot fragment flown into a bush in the dynamiting of an old TNT by an Army explosive specialist at the firing range along the Chukbyon valley.

ROK: Military To Limit Firing Exercises Until 15 May Amid Fires

SK2504085596 Seoul YONHAP in English
0518 GMT 25 Apr 96

[FBIS Transcribed Text] Seoul, April 25 (YONHAP) — In view of recent forest fires breaking out near military firing ranges, the Defense Ministry ordered all military units Thursday to conduct strictly limited shooting exercises at firing ranges and refrain from using explosives until May 15.

The ministry also ordered the outfits to cook food only in designated places while suspending all outdoor cooking during field maneuvers.

Additionally, army and marine units conducting field firing during the dry season are required to take preventive measures against forest fires.

Meanwhile, the forest fire that broke out Tuesday near an army firing range in Kosong, located South of the Demilitarized Zone, was spreading for the third consecutive day Thursday, heading northwest.

The blaze has swept five villages, reducing 78 homes to ashes and leaving 187 villagers homeless.

Some 10,000 firefighters, including police and army troops, have been mobilized to contain the fire along with 25 firefighting helicopters.

ROK: Forest Fire Caused By Sparks From Military Firing Range

SK2604113296 Seoul YONHAP in English
0613 GMT 26 Apr 96

[FBIS Transcribed Text] Seoul, April 26 (YONHAP) — The largest forest fire in decades which has burned more than 3,000 hectares of mountains located in the scenic east coast area was caused by sparks flown from a military firing range, the Defense Ministry said on Friday.

The fire started at Mazwa-ri, Chawang-myon, Kosong-kun, last Tuesday [23 April] at noon when sparks from a nearby army firing range for 90 mm recoilless rifles where an explosive ordinance disposal team was blasting 200 unexploded shells with 25 kilograms of trinitrotoluene, according to the ministry [sentence as received].

The army arrested the explosive ordinance Disposal Team Chief Sgt. First Class Chong Chae-sok, 29, and

discharged his superior officer, Maj. Sin Yu-sung, 38, chief of the 58th Ammunition Battalion from office.

The army also decided to send their immediate commander, chief of the 8th Logistics Support Brigade Col. Chong Tae-ho, over to the Army Disciplinary Committee.

According to army rules, unexploded shells should be burned, not blasted.

The fire control headquarters said Thursday that 172 people and 57 families have been left homeless, and property damage was estimated at 2 billion won (about 2.6 million U.S. dollars).

The damage included 75 gutted houses, 60 burned stalls and warehouses, and about 300 head of livestock killed. Nine army officers quarters located in the disaster area and two kilometers of military communications cable were also destroyed.

ROK: Government To Exempt Enterprise Groups From Credit Line

SK2604041196 Seoul THE KOREA HERALD
in English 26 Apr 96 p 1

[FBIS Transcribed Text] In a drastic loosening of its tight financial grip on large conglomerates, the government will exempt the enterprise groups ranked between 11th and 30th in asset size from the strict credit line from June 1.

"This will leave only the 10 largest conglomerates placed under the government's basket credit ceiling," Deputy Prime Minister Na Ung-pae told reporters yesterday.

To prevent excessive concentration of financial resources on the giant conglomerates, the government currently forbids each of the nation's top-five business groups from borrowing more than 4.88 percent of the total bank loans available. The corresponding credit ceiling for those ranked between 6th and 30th is 9.63 percent.

Instead of relaxing financial regulation, the government will take measures to rein in the group owners' "despotic" corporate control, Na said. Among the steps considered for this purpose are toughening of the firms' disclosure requirements and the strengthening of the surveillance function of small shareholders, he added.

It also will continue to curb the reckless expansion of the 20 smaller industrial conglomerates, or chaebol, by restricting their aggregate equity in other companies and excessive cross payment guarantees among the subsidiaries of same groups, he said.

Na, also minister of finance and economy, reported the "new chaebol policy" to President Kim Yong-sam, who approved it.

Business officials and economic analysts here have long maintained that the credit ceiling is no longer an effective means of controlling chaebols, but was just another unnecessary administrative regulation. Most conglomerates have increasingly raised funds through direct financing, such as issuing shares and bonds, rather than resort to bank lending.

Also, owing to the widening gap between the big-10 conglomerates and the 20 other smaller ones, it is regarded as irrational for the government's regulators to bundle them in the same category of 30 leading groups, say local business watchers.

According to figures at the Fair Trade Commission, the 10 leading chaebols and their affiliated firms account for 75.3 percent of total bank credit, 75.8 percent of total assets, 72.5 percent of corporate borrowing and 75.3 percent of total added values created. The 20 lesser groups represented 27.5 percent of bank lending but hovered below the 25-percent level in other categories.

Under the new chaebol policy, which government officials say calls for deregulating normal and sound business activities while reining in the wayward management by owners, listed chaebol subsidiaries will be obliged to disclose immediately daily activities, including the offer of collateral, debt guarantees and transactions of stocks and real properties.

For those companies the management of which are not separated from ownership, the new rule will require external audits in case their debts exceed 150 percent of the industrial average.

To enhance the corporate surveillance by stockholders, it will redefine the small stockholders as those having at least 3 percent equity, down from the present 5-percent requirement.

The government will soon come up with follow-up rules readjusting the credit lines for the big-five groups and others among the 10 chaebols to be continuously subjected to the financial restraints.

Local business watchers, however, regard the latest move as just the beginning of the across-the-board change in the government's chaebol policy, including the abolition of a rule which limits their undue diversification by obliging them to specialize in a few core businesses.

Also, the Fair Trade Commission, the government antitrust watchdog, has maintained that the government

categorize only the 10 largest chaebols as enterprise groups that need its special supervision.

ROK: ROK Submits 'Subsidies' List to World Trade Organization

SK2604061396 Seoul THE KOREA HERALD in English 26 Apr 96 p 8

[FBIS Transcribed Text] Korea yesterday referred to the World Trade Organization (WTO) a list of 26 subsidies it provides to specific industries, corporations and items to boost their competitiveness.

The subsidies break down into five prohibited subsidies, 17 "actionable" subsidies and four "non-actionable" subsidies, the Ministry of Finance and Economy said.

The WTO secretariat is expected to deliberate on Korea's list, but the result of the deliberation will have no impact on the Korean economy because it is not binding, the ministry said.

Under the WTO's Agreement on Subsidies and Countervailing Measures, which went into effect Jan. 1, 1995, all WTO member countries are required to submit their list of prohibited and actionable subsidies to the world trade body.

Under the agreement, advanced countries are required to lift by 1997 all prohibited subsidies extended to promote exports and replace imports.

Developing countries are obliged to eliminate export-boosting subsidies by 2002 and subsidies for the replacement of imports, by 1999.

The government will phase out the five prohibited subsidies by 2002, while continuing to provide 17 actionable subsidies, the ministry said.

If Korea were admitted to the Organization for Economic Cooperation and Development this year, that would not affect Korea's status as a developing country under the accord, a ministry official said.

The WTO pact classifies the prohibited and actionable subsidies as those with "specificity," which means that they are provided to specific industries, firms and goods.

A country can levy countervailing duties on imported goods produced with the assistance of actionable subsidies if it thinks they may "severely" damage the local industry making the same products.

Currently, Korea has 98 kinds of subsidies, of which 72 are non-actionable ones that are allowed under the WTO agreement.

ROK: Government To Crack Down on Communist Student Activists

SK2604041296 Seoul THE KOREA TIMES in English
26 Apr 96 p 1

[FBIS Transcribed Text] The government will intensively crack down on activist students propagating communist ideology on university campuses throughout May, a senior presidential secretary said yesterday.

Presiding over a meeting of senior government inspectors at Chongwadae [presidential offices] Thursday, Mun Chong-su, senior presidential secretary for civil petition and inspection, said the government decided to get tough with burgeoning leftist activism on campuses as it has reached a "dangerous level."

Citing the manifesto issued by Chonhaknyon, an activist students' league, on the occasion of its inauguration, Mun said that its wording is a carbon copy of North Korean communist propaganda.

Denying the allegation that the crackdown was prompted by a tip from Kim Chong-pil, leader of the splinter United Liberal Democrats [ULD], Mun said the law enforcement authorities have investigated the leftist movement for a long time.

During his one-on-one meeting with President Kim Yong-sam last Friday, the ULD leader expressed worry about the growing leftist movement on campuses, citing the Sogang University student council-published pocketbook that contains Marxist teachings.

"There will be a massive crackdown on the leftist students' movement during the month of May," Mun said.

In the meeting, Mun also handed down the presidential instruction that law enforcement authorities wrap up investigations into cases of election law violations as early as possible.

Under the instruction, probes into lawmakers-elect suspected of law violations will be finished before April 30, the secretary said.

"Investigations of other election law violators will be wrapped up by the end of May," Mun said, adding, "At the latest, probes related to the April National Assembly elections will be completed by June 30."

According to the presidential secretary, 1,159 people have been booked by the police and prosecutors on charges of violating election laws. Of them, 123 were arrested, Mun said.

ROK: Opposition To Launch Struggle on Bias in Election Probes

SK2604112196 Seoul YONHAP in English
0702 GMT 26 Apr 96

[FBIS Transcribed Text] Seoul, April 26 (YONHAP) —

The three opposition parties are poised to discuss Friday afternoon ways of mounting a joint struggle against what they call "biased" investigations of alleged election law violations, and for probing into suspected election riggings committed by the administration and the ruling party.

The discussion will take place among the parties' illegal electioneering probe committees — Kim Yong-pae from the National Congress for New Politics [NCNP], Han Yong-su from the United Liberal Democrats [ULD], and Chang Kyong-u from the Democratic Party [DP].

At the meeting, they are expected to agree on the joint publication of an election rigging white paper, a joint court struggle, and a drive to convene a parliamentary hearing in an effort to delve into suspected election riggings, according to opposition sources.

The three are also expected to ponder a formula calling for addressing an open questionnaire to President Kim Yong-sam concerning alleged election riggings by the ruling camp.

In a related move, the NCNP, at a conference of its district chapter chairmen across the country Friday morning, resolved to "struggle to the end in revealing suspected election riggings."

They also demanded that the ruling camp make public how the 120 billion won (154 million U.S. dollars) in proceeds accruing from the sale of the New Korea Party's Kwanghun-tong headquarters building and required deposits was used, and immediately put an end to its moves to artificially secure an absolute majority in the National Assembly.

With one independent lawmaker-elect just joining the government party, the new Korea party that won 139 of the 299 unicameral parliament is still 10 seats shy of an absolute majority.

NCNP leader Kim Tae-chung asserted, "even for the sake of the next year's presidential election, election irregularities committed during the general elections must be fully bared and institutional devices be prepared to ensure fair and clean elections."

Kim indicated an intent to promote a meeting with ULD leader Kim Chong-pil alone or a DP leader as well to take up the election rigging issue.

In a press conference, ULD, meanwhile, made public election-law violations allegedly committed by nine successful candidates of the ruling party including Hong Chun-pyo.

DP's Chang Kyong-u stressed the need for the opposition parties to join hands by saying, "Since the government party marred the general elections with unprecedented illegal financing and violence, the three opposition parties need to counter them jointly."

Brunei, Malaysia & Singapore**Malaysia****Malaysia: Ministry To Prolong Defense Purchases To Trim Deficit**

BK2404103396 Kuala Lumpur Voice of Malaysia in English 0800 GMT 23 Apr 96

[FBIS Transcribed Text] The Defense Ministry plans to spread the purchase of equipment for the armed forces modernization program over an extended period to help trim the trade deficit. Its minister, Datuk Syed Hamid Albar, said the approach will also involve procurement of equipment under offset programs, transfer of technology packages, and joint ventures which move into local production. He said the country would gain by producing commercial products for exports from the defense technology acquired. Other measures being taken by the ministry include privatization of services, such as maintenance of equipment, as well as basic training for pilots, drivers, and technical personnel in communications and electronics. He hopes this will improve the exports capability instead of merely importing defense equipment.

The minister said this at a news conference after opening the Defense Services Asia, DSA, '96 exhibition and conference at the Putra World Center. The four-day exhibition has attracted 626 companies from 43 countries, including the United States, Britain, France, Germany, South Africa, Russia, and Indonesia. A wide range of state-of-the-art equipment from combat boots and knapsacks to heavy stuff like missiles and main battle tanks are on display at the biennial show, the sixth in the series.

Malaysia: Defense Minister Denies Existence of Regional Arms Race

BK2504134596 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 25 Apr 96

[Passage within slantlines in English]

[FBIS Translated Text] Defense Minister Datuk Syed Hamid Albar has denied the existence of an arms race in the region. He said that current efforts are purely aimed at replacing outdated equipment.

Datuk Syed Hamid Albar delivered his key-note address at the Defense Services Asia [DSA] '96 meeting at the Putra World Trade Center in the nation's capital. The two-day meeting themed "Changing Conceptions of Security in the Changing Pacific Asia" is being held on the occasion of the DSA '96 exhibition. He said a country needs to modernize its armed forces to assure its national defense. Current regional relations are promising a bright future for regional security and stability.

Datuk Syed Hamid Albar added the armed forces could assist in national development through projects in defense industries.

The meeting is attended by over 300 participants comprised of national and foreign academics, senior military officials, and experts on strategic and international relations.

Malaysia: Anwar Expresses Concern Over ROK's 'Low Investment'

BK2604073096 Kuala Lumpur THE STAR in English 26 Apr 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — The Government expressed concern to a visiting South Korea delegation yesterday over its low investment in the country.

Deputy Prime Minister Datuk Sri Anwar Ibrahim told South Korean Construction and Transport Minister Chu Kyong-sok that while South Korea participated in various projects in Malaysia, its level of investment here was "fairly low and unsatisfactory."

"It is a serious problem because while we have given them many projects their investment is low, which translates into outflow of funds from the country.

"This contributes to the balance of payment problem that we are facing," Treasury secretary-general Datuk Herbert Clifford briefed reporters on the outcome of the meeting at the Finance Ministry.

Anwar also told the Korean delegation that their participation in various projects here amounted to some RM [Malaysian ringgit] 5 billion, adding that their transfer of technology too was lacking.

Singapore**Singapore: Lee Kuan Yew Comments on Recent China, Taiwan 'Tension'**

BK2404070396 Singapore BUSINESS TIMES in English 16-17 Apr 96

[Report by Walton Morais — received via Internet]

[FBIS Transcribed Text] The recent tension in the Taiwan strait has brought about a heightened awareness of the region's vulnerabilities, Senior Minister Lee Kuan Yew said in an interview to be published today.

"Had there been an actual exchange of fire, American involvement would have been unavoidable," Mr Lee said, "and a trade embargo against China would have affected all of us."

He said Taiwan was seen as "a Chinese-Chinese issue" and cross- straits tensions between Taipei and Beijing were not regarded as "international tension" by countries in ASEAN, which all accept the one-China policy.

"Had there been tension between China and the Philippines, that would be very different," Mr Lee said in the interview with BUSINESS WEEK INTERNATIONAL, managing editor Robert Dowling and its Hongkong correspondent Pete Engardio. The interview was held at the Istana [palace] on Monday.

"We have to accept the reality that there is no combination of forces in ASEAN that could stand up to a military confrontation with China. Unless there is an outside force, such as America, there can be no balance in the region."

Mr Lee was replying to a question on whether China's recent actions over Taiwan were any indication of how it would deal with other regional issues.

The senior minister disagreed that China miscalculated with its missile tests. "No leadership in China will be able to survive if Taiwan moves away from China and becomes separate. Taiwan is too big, too emotional a symbol of national unity."

He said the tests were a signal to the US, Japan, and Taiwan that Beijing was prepared to fight over the issue. On whether China would behave in a similar way over the Spratlys, Mr Lee pointed out that Beijing had pledged in Brunei last June to talk and to abide by the United Nations Convention on the Law of the Sea.

"Once you accept the Law of the Sea, then you have certain rules and guidelines," Mr Lee said. "That makes it an international issue, not a China-China issue."

Asked if he was concerned about shifting policy signals from Washington, Mr Lee said Asians are "fearful". Asians are "perplexed", he said, over former defence department official Joseph S. Nye Jr's "strategic ambiguity" approach and that of the State Department's Winston Lord who went before the Senate two months later and said: "Strategic clarity, but tactical ambiguity."

Mr Nye, the former US assistant secretary of defence for international security affairs, was the architect of the Clinton administration's approach of "strategic ambiguity" towards a potential war in the Taiwan strait.

Mr Nye believes the notion that Washington should not declare its possible reaction to any move to change the status quo between Taipei and Beijing, is a basis for a policy that will help prevent war in the straits.

Singapore: PRC's Zhang Wannian Visits With Singapore Leaders

BK2604081196 Singapore THE STRAITS TIMES in English 26 Apr 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] General Zhang Wannian, a vice-chairman of China's Central Military Commission, called on Prime Minister Goh Chok Tong at the Istana [Palace] yesterday afternoon.

Gen Zhang and delegation members arrived yesterday on a four-day stopover visit between his official trips to Cambodia and Myanmar [Burma].

The group had earlier visited Thailand to strengthen political and military ties.

Besides Mr Goh, Gen Zhang will call on Senior Minister Lee Kuan Yew and meet the Deputy Prime Minister and Minister for Defence, Dr Tony Tan, and the Environment Minister and Second Minister for Defence, Rear-Admiral (NS [National Service]) Teo Chee Hean.

A Defence Ministry statement on Wednesday said that in view of the two countries' good relations, Singapore welcomed the informal visit.

It also said this was another opportunity for Singapore to exchange views on regional developments with China.

Singapore: Australia's Fischer Previews Upcoming Defense Talks

BK2604075496 Singapore THE STRAITS TIMES in English 26 Apr 96

[Report by Susan Lim — received via Internet]

[FBIS Transcribed Text] Extensive negotiations to allow the Singapore Armed Forces [SAF] to train in more locations in Australia will begin in the next few days, Australian Deputy Prime Minister Tim Fischer announced yesterday.

Although he declined to provide specifics, he said that "very extensive and detailed discussions" would be taking place in Singapore, and these talks "relate to certain jet aircraft and the use of Amberley", a Royal Australian Air Force base in south Queensland.

"Because these are matters which are part of quite detailed negotiations that are just about to commence, it would be improper for me to go into details, other than to say that there is a lot of goodwill in that defence relationship between Australia and Singapore," said Mr Fisher, who left here last night after a three-day visit.

Canberra announced a year ago that it was holding discussions with Singapore on proposals to base 20 RSAF

[Republic of Singapore Air Force] A-4 Super Skyhawk aircraft for training at Amberley and another 15 Super Puma helicopters at Oakey in South Queensland.

Mr Fischer said yesterday he believed there would be a successful outcome to the talks although he could not indicate which alternative sites were also being discussed.

Asked if he expected more Singapore troops to train in Australia, he said: "Yes, I anticipate that. Furthermore, there is defence equipment export to Singapore through the Australian Defence Industry, ADI."

Very close practical working relations with Singapore in areas like defence training was something Australia greatly welcomed, he said.

"The mayor of Rockhampton, the new federal member for Rockhampton, myself as a former army officer who had exercised in Shoalwater Bay are particularly supportive of that Rockhampton-Shoalwater Bay arrangement with the Singapore defence forces.

"It is my fond hope that the leeches that bit me when I was on army exercise many years ago in Shoalwater Bay — their descendents might also toughen up the Singapore soldiers as well," he quipped.

Mr Fischer, who met Prime Minister Goh Chok Tong and Deputy Prime Minister and Defence Minister Tony Tan yesterday, also paid tribute to the former Labor government for its efforts in forging ties with Singapore.

"I acknowledge freely that some of the goodwill has been built by ministers and activities in the outgoing Labor government, and clearly that personal relationship that some of the senior leaders developed was good for Australia. We plan to continue to pick up where the Labor government left off," he said.

"Part of that equation is that the defence solidarity is successful, is absolute. The current high commissioner representing Singapore in Australia is Winston Choo, 15 years head of the Singapore Defence Force, or thereabouts."

He found it appropriate that he should have "very successful bilateral meetings" with Mr Goh and Dr Tan on Anzac day, which fell yesterday.

Reiterating the new coalition government's emphasis on ties with Asia which Foreign Minister Alexander Downer spelled out last week, he noted of their visits to Singapore:

"This is the first country we've now sent two senior ministers to even before the Australian federal parliament starts sitting since the elections, that event taking place in Canberra next week."

In a statement yesterday, the Defence Ministry said: "Singapore appreciates the Australian Foreign Minister's statements that Australia is ready to expand bilateral military cooperation and extend more training facilities to the SAF.

Bilateral military interactions and SAF training in Australia reflect the strong trust between Singapore and Australia and serve Australia's strategic interest by helping to enhance Singapore's defence capabilities." It declined to comment on Mr Fischer's announcement.

Singapore: Australian Foreign Minister Interviewed
BK2404105096 *Singapore BUSINESS TIMES*
in English 22 Apr 96 p 7

[Interview with Australian Foreign Minister Alexander Downer by correspondent Vikram Khanna in Singapore; date not given]

[FBIS Transcribed Text] [Khanna] Very broadly, how does the foreign policy of your government differ from that of the Keating government?

[Downer] We don't have differences for the sake of having differences. There are a large number of similarities. Engagement with Asia is an absolute must of Australian foreign policy. Australia's economic future is tied up with the region. Indeed, 60 per cent of Australia's exports go to East Asia. Australia's security is obviously tied up with the region. So, in foreign policy, it's not as though there's a choice: foreign policy must, first and foremost, focus on engagement with Asia.

We also argue that Australia has a great deal to offer the region. Australia's economy is very nearly the size of all of the ASEAN economies put together. Australia can, and does make a very constructive contribution to regional security. And I think given our international links, Australia is a major diplomatic asset to the region.

[Khanna] I take that answer to mean that there are no differences to speak of (in the foreign policy of the present government, compared to the previous government). Is that correct?

[Downer] Well, people will work that out in time. There are differences in style. We have, in our first few weeks, been able to go a long way towards rebuilding Australia's relationship with Malaysia; that's been very important to us. And I'm pleased to say that both Prime Minister Howard and I have had very good meetings with Dr Mahathir, and that is a difference from the position of the previous government.

[Khanna] Australian Prime Minister John Howard has said that your government will pursue relationships which are "natural" as distinct from those which are

not "natural". Could you define what you mean by "natural"?

[Downer] What is natural for us is relationships in our own region.

[Khanna] So is "natural" a geographic phenomenon?

[Downer] Exactly. I mean it's really not worth our while devoting too many of our diplomatic resources to bilateral relationships with Paraguay. It surely is for the countries surrounding Paraguay. Now, we have some historic links with Paraguay, but it isn't a priority for our foreign policy. Singapore, ASEAN, North-east Asia, the United States and, in economic terms, the European Union, yes, these are the natural relationships that we need to work on.

[Khanna] Within Asia, would you say there are some relationships that are more natural than others?

[Downer] Well, I wouldn't put it quite like that; I would say there are some relationships which have a longer tradition and have greater depth than others. For example, our relationship with Singapore is a very deep relationship. Economic links are very extensive. There are security links, defence ties. Then there are historic ties, a real understanding of Singapore in Australia and an affection for Singapore. As against, you know, countries with which we have, for one reason or another — mainly as an accident of history or as a function of geography — had less links. Of course, that's true of any country. I mean Singapore has more ties with some countries in the region than others. So do we.

[Khanna] What about Malaysia? You've said you've changed Australia's approach to Malaysia compared to the previous government. How would you define the change?

[Downer] I would define the change as a change in the political relationship between the leadership of the Australian government and the leadership of the Malaysian government. Mr Howard and Dr Mahathir can clearly work together. They work on the basis of mutual respect. And Mr Howard won't descend to personal abuse in the event of there ever being a disagreement. That is in stark contrast to the way the relationship was handled under the previous Australian administration. Where there are points of disagreement, we'll handle them in a mature and constructive way, not descend to personal abuse. I don't think that's the Asian way.

[Khanna] Are there any sensitivities within Australia relating to foreign investment from Asia that you would want to take account of in your policy towards foreign investment?

[Downer] As far as the Australian government is concerned, we have a Foreign Investment Review Board which examines proposals for significant levels of foreign investment in Australia, and almost always approves them. And Asian investment is very welcome in Australia.

[Khanna] But there are some Australian businessmen who have raised concerns about inward foreign investment. What would you say to them?

[Downer] That I don't agree with them. I'd say to them that the problem in Australia is the low level of national savings, and that this has to be compensated for somehow if we're going to maintain economic growth. And it's compensated for through high levels of foreign investment and relatively high levels of foreign debt. It would be wrong for us to start imposing new restrictions on foreign investment in Australia. That's just the wrong way to go. I wouldn't be part of any government, ever, that wishes to close Australia off to the outside world.

[Khanna] What is Australia's position on joining the East Asian Economic Caucus (EAEC)?

[Downer] It depends what the EAEC really is and what it becomes. If the so-called EAEC is to become just an opportunity for people from certain countries to sit down and talk in the context of APEC, then we would say: well, we're happy to be in the talks. But anybody can talk to anybody they like in the context of APEC, and they probably will.

We're focused on APEC, we're focused on the ASEAN Regional Forum, we're focused on developing bilateral relationships. (The EAEC) is not something we're particularly preoccupied with.

[Khanna] What about ASEAN? Do you feel ready to join ASEAN? Do you see any benefits in doing so?

[Downer] Well, we haven't been asked to join ASEAN and it's up to the ASEAN members to come forward with a proposal. It's something that might happen in the years ahead.

I would like to make the point that involving Australia within the region is very much to the region's advantage. Australia is a very prosperous and large economy. Australia makes a very strong contribution to regional security especially in South-east Asia, and Australia has a great deal to offer the region in terms of scientific and technological expertise and in terms of educational and health services.

So is all that going to end up by Australia becoming a member of ASEAN? That's not going to happen in the next year, but I don't know the answer to that question.

If an offer was put to the Australian government, it would be a major matter which would be considered by the Australian cabinet.

[Khanna] You've said that you will need to "reconvince" the Malaysians about the need to include Australia in the next Asia-Europe Summit. How do you propose to reconvince them?

[Downer] I think what we need to do is make the point that if the Asian side of the Asia-Europe Summit meeting excludes Australia and New Zealand, then it is incomplete because they are such important participants in regional affairs. And I think it's in the best interests of the region as a whole that Australia and New Zealand are included so that the full strength of the region is represented. I always think: let's get all the players who can really contribute onto the field; let's not leave some of our best players off the field.

[Khanna] Finally, what do you mean when you say you are going to be "closely engaged" with Asia? What are you going to do in concrete terms?

[Downer] We are helping to build a regional multilateral architecture such as APEC, such as the ASEAN Regional Forum; developing a web of bilateral and multilateral security ties with the region — over and above what they already are — because our security is linked with the region and promoting regional flows of investment both ways.

[Khanna] When a new government takes office, it invariably becomes more pragmatic than it was when it was in opposition politics. Do you think your government has become more pragmatic since taking office.

[Downer] We're conservatives. Conservatives are always practical, pragmatic people. We're not woolly-headed ideologues. We have a job to do and we will do it. And that's why we find it so easy to deal with the Singapore government. Because they're practical, pragmatic people.

Cambodia

Cambodia: U.S., Canadian Citizens To Face Deportation

*BK2604054096 Hong Kong AFP in English
0449 GMT 26 Apr 96*

[FBIS Transcribed Text] PHNOM PENH, April 26 (AFP) — Two ethnic Vietnamese — one a US citizen and one a Canadian citizen — were to be deported from Cambodia Friday for allegedly engaging in anti-Hanoi activities, police and diplomats said.

The two — a man and a woman — were arrested Thursday morning in a Phnom Penh hotel for their

involvement in an anti-communist political party known as Bao Nhan Dan Hanh Dong (People's Action Party of Vietnam), they said.

The man was identified as 42-year-old Nguyen Si Binh, a US citizen, and the woman only as Mary Anne, a Canadian citizen in her early 30s. Their hometowns in North America were not immediately available.

Diplomats said they had been informed immediately after the arrests and that the pair did not appear to have been mistreated.

The two, who were being held at an immigration holding center, allegedly founded a Cambodian branch of the People's Action Party in April, 1995, police said.

Police said the party had recently become a haven for former members of the Vietnam Tudo (Free Vietnam) movement which Hanoi claims seeks the violent overthrow of its socialist government.

Since late last year, members of Vietnam Tudo in Cambodia, many of whom are ethnic Vietnamese but have lived in Cambodia for years, have been warned to cease their activity or face deportation.

In March, three ethnic Vietnamese men including the publisher of the Vietnam Tudo newspaper were deported to Vietnam, but Vietnamese officials have not acknowledged that the men are in their country.

In December, the Cambodian government deported five Vietnamese-Americans and one US-born man, thought to be organizers of the group, back to the US.

At the same time, 32 ethnic Vietnamese, including the editor, were told to leave Cambodia if they could not prove they were Cambodian citizens.

Cambodia: DPRK Envoy Linked to Terrorist Leaves for 'Health Reasons'

*BK2604075196 Phnom Penh National Radio of Cambodia Network in Cambodian
0500 GMT 26 Apr 96*

[FBIS Translated Text] His Excellency [H.E.] Song Ho-kyong, North Korean ambassador to the Kingdom of Cambodia, paid a courtesy call and bade farewell to Prince Krompreah Norodom Ranariddh, first prime minister of the Royal Government of Cambodia, at the latter's residence on the afternoon of 25 April. The envoy, who ended his mission in Cambodia early due to health reasons, will leave for North Korea on 2 May.

At the audience, H.E. Song Ho-kyong said North Korean Great Leader Kim Chong-il praised his majesty the king for having united the nation, and the Royal Government of Cambodia [RGC] for its outstanding

achievements in restoring and developing the nation. He added that Cambodia and North Korea has time-honored and good relations, and that His Majesty and Great Leader Kim Il-song were best friends, saying he hoped that the excellent ties would further consolidate.

In his reply, Prince Krompreah Norodom Ranariddh expressed regret that H.E. Song Ho-kyong's mission has ended early due to his health problems. However, the prince added, our two countries will continue to preserve this great friendship.

Cambodia: Cambodian Leaders Recognize 'Only China'

BK2504093896 Phnom Penh REAKSMEI

KAMPUCHEA in Cambodian 25 Apr 96 pp 1, 9

[Report by Vanna and Dararit]

[FBIS Translated Text] Prince Krompreah Norodom Ranariddh, first prime minister of the Kingdom of Cambodia, has reiterated the stance of the Royal Government of Cambodia [RGC], saying: The Kingdom of Cambodia recognizes only China, that is the PRC, which is a good friend of Cambodia.

The prince said this at an audience with General [Gen] Zhang Wannian, vice chairman of the Chinese Central Military Commission, at the Chamka Mon State Guest House on the afternoon of 23 April. He added that Taiwan is an internal affair of PRC. Therefore, the Kingdom of Cambodia only officially recognizes China. He also thanked the Chinese Army for having decided during the visit to give \$1 million in aid to the Khmer Royal Armed Force: [KRAF] to purchase equipment and machinery.

In his reply, Gen. Zhang Wannian said: Since China is a good friend of Cambodia, the Chinese Army will continue to provide technical assistance to the KRAF and accept KRAF staff for training in China. The general also highly valued the progress made by the Kingdom of Cambodia under the leadership of the two prime ministers, who have strived to develop the country, and to make it prosper rapidly.

In a separate working meeting with Second Prime Minister Samdech Hun Sen at the Chamka Mon State Guest House on the morning of 23 April, Zhang Wannian appreciated the smooth political, economic, social, and security situation in Cambodia. He praised the RGC, the National Assembly, and the Cambodian people for having harmoniously cooperated to restore and redevelop the country. The Chinese general also highly valued all of the issues raised by Samdech Hun Sen.

The two sides briefed each other about the developments in their respective country and talked about the bilateral relations and the situation in the region and some parts of the world.

Samdech Hun Sen acclaimed the Cambodian-Chinese ties, which have developed well. He also informed his Chinese guest of the success in the military restructuring in the Kingdom of Cambodia.

Moreover, on a discussion between the high-level Chinese military delegation and the Defense Ministry, Gen. Tie Banh, co-minister of national defense, and Ek Sereivoat, state secretary of national defense, told reporters on the morning of 23 April that Zhang Wannian had confirmed that the Chinese Defense Ministry would provide \$1 million in aid to the Cambodian Defense Ministry this year. The aid, they added, will be used primarily to support and solve some of the difficulties encountered by the KRAF.

Separately, Ek Sereivoat said the aid would be used for technical training and to buy some equipment, such as field radios, trucks, and construction materials, for the KRAF.

Gen. Zhang Wannian stressed that the Chinese aid is unconditional assistance.

Gen. Tie Banh also said the Chinese Army had also agreed in principle that it would accept Cambodian army officers for training in China in the near future.

On Cambodia's stance toward China, Gen. Tie Banh reiterated that Cambodia supports and officially recognizes China only, adding that Taiwan is China's internal affair, in which Cambodia is not supposed to interfere.

Cambodia: Defense Minister Denies Withdrawal From Pailin, Malai

BK2604050996 Phnom Penh REAKSMEI

KAMPUCHEA in Cambodian 26 Apr 96 pp 1, 8

[Report by Peyatro]

[FBIS Translated Text] Government troops will continue to retake Pailin and Malai Hill regardless of the difficulties caused by the early heavy rains. It is, however, impossible to say when the areas will be taken.

General Tie Banh, co-minister of national defense, told a group of reporters in an interview at the Chamka Mon State Guest House on 23 April that "it is unwarranted to claim that government troops have wasted the national budget just because they have not yet been able to eliminate the Khmer Rouge [KR] rebels from the Pailin town and the Malai Hill area, the KR military and economic bases."

The general stressed: To date, government troops have not yet been ordered to move even one step backward. While we are moving forward rapidly in some areas, we can only advance slowly in others due to the heavy rains that have hampered the movements of our troops and equipment. Nevertheless, we will attack again at an appropriate time.

The minister reaffirmed: No matter what happens, we will occupy Pailin within this year. If we seize the region, the KR's economic lifeline will then be cut.

Despite the assertion, some military observers said it is unlikely that government troops will be able to inflict total defeat on the KR as frontline government soldiers are occasionally demoralized due to a lack of supplies.

Some observers added that the disruption of food, water, and ammunition supplies due to bad weather has demoralized the government troops, thus giving the KR a chance to stage attacks to retake their bases.

Soldiers returning from front lines said fighting had ceased in some areas during the new year celebration, but fierce attacks had taken place in others from time to time when the guerrillas relaxed their vigilance during the rains. They also said that heavy equipment have gotten bogged down in muddy roads and that air raids have been further conducted against the guerrillas.

Cambodia: Government Offensive 'Stalled' by Rains

*BK2604100696 Bangkok THE NATION in English
26 Apr 96 p A8*

[Report by Gary Way]

[FBIS Transcribed Text] The Cambodian military's recent announcement that the onset of the rainy season had stalled its offensive against two key Khmer Rouge-held bases marks for all intents and purposes the end of this year's campaign to defeat the guerrillas militarily.

The announcement by army spokesman Col Chum Dambat that, "We are not going to move forward because the rains came and created difficulties for our movements," also appears to have provided cover for Phnom Penh amid reports the offensive had become bogged down and was making little progress.

The Khmer Rouge headquarters of Pailin and the nearby base of Khla Ngoap were the target of an intense government offensive that employed almost 12,000 troops, backed with 35 tanks and heavy artillery.

In recent months there were an increasing number of reports that the government force was beset with morale problems. There were also rumours that FUNCINPEC [National United Front for an Independent, Neutral,

Peaceful, and Cooperative Cambodia] units had threatened to withdraw from the front after a bitter argument between their leaders and the Cambodian People's Party over a power sharing settlement.

The military's announcement that it was suspending its offensive coincided with the end of traditional New Year festivities, a time when many troops down weapons to visit their families.

After making significant gains in mid-November, when RCAF [Royal Cambodian Armed Forces] units cleared large rebel-held areas around Sisophon in Banteay Mencheay province and the town of Bavel in Battambang, the government run into problems after suffering heavy casualties in minefields ringing the two bases and stiffening resistance by KR [Khmer Rouge] units.

According to the government, heavy fighting still continues around both areas, and the temple of Preah Vihear, but NGO [nongovernment organization] workers in Battambang and Poipet said there has been a decrease in military activity in recent weeks.

The failure to capture Pailin after coming within five km of the base, must come as a bitter disappointment to the government, which had vowed to consolidate its power over the entire country. The government held Pailin briefly in 1994, when the army was allowed to walk into the gem mining town untouched. But due to a series of tactical areas it failed to hold the town and was forced to retreat.

The Khmer Rouge has seized on the government's battlefields losses, saying in a radio broadcast, "this failure is a serious embarrassment and a shame to the government which always loses when they try to fight us."

But according to a foreign military analyst based in Phnom Penh, the government's latest setback may not be that significant, if the RCAF maintain a hold on areas already captured.

"I think they have a good chance to hold their ground, they have well established forward bases. The telling thing is whether they can sustain resupply to their forward bases during the wet and stop small group interdiction by the Khmer Rouge.

"They have put an awful lot of work and energy into building up Route 10, they have a good road all the way to Phnom Veng, which could be used as a springboard to Pailin next year."

Such gains must also be weighed against the cost in human lives. This year's campaign has been uncharacteristically bloody with a high number of casualties inflicted

on the government. It has prompted some NGO workers and military observers to label it "a war of attrition."

In a reversal of policy, the government is now issuing casualty figures, but a comparison of hospital admissions suggests the number of soldiers being killed or wounded is still being under reported.

In a one week period at the end of March, the government said 106 soldiers were killed or injured.

Statistics collected by THE NATION in both military and provincial hospitals in Battambang, Banteay Mencheay, Seam Reap and Phnom Penh since December suggest combined casualties were more than 2,400 soldiers.

These figures include malaria patients, who according to military doctors in Battambang, account for 30 percent of all admitted military patients, but there was also another 681 soldiers documented by the Mine Awareness Group who had been killed, maimed or made amputees from landmine explosions during the offensive.

Co-Minister of Defence Tie Banh responded to the announcement by declaring "we are not retreating" but a combination of wet season-induced malaria and a sustained offensive by the Khmer Rouge would put forward units under a pressure to, as one military observer put it, "tactically reroute" their troops.

Following a pattern that has developed over recent years, KR guerrillas become more active with the onset of the monsoon, using their greater manoeuvrability to attack government positions.

In retrospect the government may have shown maturity in deciding not to advance on Pailin a month ago, a move both government and foreign military observers said they could have done with ease. According to KR and government sources the town has been evacuated since December and is modestly defended by only 30 men and several anti-aircraft guns.

Due to its geographical location, set in a shallow valley surrounded by a horseshoe shaped chain of mountains, the government has tried to first clear key rebel positions equipped with heavy artillery and mortars trained on the town. If left untouched these gun positions would have turned Pailin into a virtual "killing zone" if occupied by government troops.

The inability of the RCAF to take Klar Ngap is a greater strategic failure.

Unlike Pailin which is at least 35 km from any significant rural population, Khla Ngoap is situated just six km away from the border town of Poipet, threatening

Cambodia's primary northern border crossing point to Thailand.

Positioned within several kilometres east of Thailand, Khla Ngoap offers strategic cover for the entrance to the major rebel base of Phnom Malai, on the Thai border.

With Khla Ngoap remaining in rebel hands, the guerillas will be able to shell Poipet with impunity, as proven as recently as Tuesday when incoming artillery rounds wounded 20.

It also gives them an advantage of disrupting trade links at will and further applying pressure on Phnom Penh to agree to a new round of peace talks, an argument Sam Rangsi, leader of the Khmer National Party, has strongly advocated.

Indonesia

Indonesia: Editorial Says U.S. Could Check PRC 'Military Adventures'

BK2504102296 Jakarta KOMPAS in Indonesian
25 Apr 96 p 4

[Editorial: "Equilibrium Among Major Powers in the Asia-Pacific Region is Still Necessary"]

[FBIS Translated Text] Malaysian Defense Minister Syed Hamid Albar disclosed on 23 April the massive arms purchases planned to modernize the country's armed forces.

Although the purchases will be made under a long-term program designed to help reduce the growing trade deficit, the Malaysian defense minister's remarks after opening the Defense Services Asia exhibition remain of continuing interest.

Moreover, in addition to the long-term program that includes the planned construction over a 15-year period of 27 frigates worth \$2.24 billion in cooperation with foreign partners, Malaysia has also allocated \$2 billion under a five-year plan (1996-2000) to purchase combat tanks, armored vehicles, naval ships, and helicopters.

It is feared that the modernization of the Malaysian Armed Forces will provoke other Southeast Asian countries to do the same, because Malaysia decided some time ago to purchase eight U.S.-made F/A Hornet aircraft and 18 Russian-made MiG-29's and to replace its Skyhawk helicopters with 28 British-made Hawk-100's.

Thailand is reportedly trying to purchase 16 F/A-18 jet fighters, along with AIM-120 missiles, advance medium-range air-to-air missiles, and four training missiles. Indonesia is considering the purchase of additional

F-16 Fighting Falcon jet fighters from the United States to support its current armada of 11 F-16's. Earlier, Indonesia purchased 39 former East German warships.

The replacement of outdated combat arms has been cited as a reason for these purchases that has nothing to do with a military buildup. Malaysia, Thailand, and Indonesia do not think that their purchases of combat arms will lead to an arms race in the region.

Perhaps the confidence of the three countries is acceptable under the current circumstances, because an equilibrium among the United States, Russia, China, and Japan continues in Southeast Asia. The situation will be different if the United States decides to leave the region.

According to analysts, China will emerge as the main power if the United States leaves the region, because China is said to be systematically building up its military power. The Chinese Navy has even been developed into a blue water navy.

If China emerges as the main power in the region, Southeast Asian countries, particularly countries with which China is locked in overlapping territorial claims in the South China Sea, will be prompted to build up their respective armed forces, because a possible Chinese threat has generally become a source of anxiety to its neighbors in Asia. If such a situation is allowed to persist, regional peace and stability will gradually be undermined.

Analysts are convinced that Japan will have no alternative but to build up its armed forces to counterbalance China if the United States leaves only Japan. The situation will become more complicated if that happens. Asia-Pacific countries still cannot forget Japan's military adventures and brutality during World War II.

Accordingly, all focused their attention on the talks during U.S. President Bill Clinton's visit to Japan on 16 April on the continuation of U.S.-Japanese defense cooperation. Most Asia-Pacific countries closely monitored the results of the U.S.-Japanese talks because they were aware of the growing anti-U.S. sentiment in Japan. In reality, they consider the U.S. presence in Japan to still be necessary.

The anti-U.S. sentiment grew rapidly after a 12-year-old Japanese schoolgirl was raped by three Okinawa-based U.S. soldiers in September 1995. The case angered the Japanese people, particularly the Okinawans, and they demanded that the United States withdraw its military forces from Okinawa.

The Japanese have adopted a unique attitude toward the United States. On the one hand, Japan does not want to be under the shadows of U.S. supremacy. On the

other hand, they realize the significance of the U.S. presence in Japan. With the U.S. presence, Japan can fully concentrate on the economic sector, and there is no need for Japan to maintain strong armed forces. Countries that once experienced Japan's brutality during World War II remain suspicious of Japan.

Visibly, both Japan and the United States consider the U.S. military presence in Japan to still be necessary, at least for the time being. Although the United States has decided to withdraw 47,000 soldiers from Okinawa, the number of U.S. soldiers in Japan will remain. [sentence as published]

This development has caused a sigh of relief because we can expect the continued U.S. presence in Japan and also in South Korea to maintain an equilibrium in the Asia-Pacific region.

We know that the United States will not leave the region because the United States has very great economic and military interests in the region. We also know that the United States is present in the region because the Seventh Fleet operates from Guam in the Pacific Ocean to Diego Garcia in the Indian Ocean.

Nevertheless, the presence of U.S. troops in Japan and South Korea remains necessary because the significance of the U.S. presence in the region is psychological rather than strategic. The U.S. presence there may at least check China's military adventures, like the recent one against Taiwan.

Indonesia: EU Expresses Dissatisfaction Over National Car Policy

*BK2504092496 Jakarta KOMPAS in Indonesian
24 Apr 96 p 1*

[Unattributed report]

[FBIS Translated Excerpt] Jakarta, KOMPAS — European Union (EU) Vice President Leon Brittan has said he made clear to President Suharto that European automotive manufacturers are not satisfied with Indonesia's national car policy, such as the automotive industry package announced on 23 January and Presidential Instruction No. 2/1996. Brittan feels, however, that Indonesia's national car policy does not violate provisions in the World Trade Organization, WTO, agreement. "So far, the policy has not been found to be contrary to the WTO agreements," he told journalists after paying a courtesy call on President Suharto at the Bina Graha Presidential Palace on Tuesday, 23 April.

In the company of Hartarto, coordinating minister for production and distribution, Brittan said that President Suharto explained the rationale behind the Indonesian

Government's policy. He did not disclose the details of what President Suharto told him.

"I clarified to him that it would be alright with us if the policy is not contradictory to Indonesia's commitment to the multilateral agreements on ASEAN Free Trade Area (AFTA)," Brittan said.

In addition, Brittan had also touched on the upcoming Indonesia-Japan talks to discuss the impact of the national car policy. He hoped that the EU could be involved in such discussions before any final decision is made. "I wish to indicate the EU's wish to be involved during the discussions between Indonesia and Japan before any final decision is made," he said.

Brittan did not clarify to which Indonesia-Japan talks he was referring. After the government issued Presidential Instruction No. 2/1996 in early March, Trade and Industry Minister Tunky Ariwibowo gave lengthy explanations on the car policy to the Japanese Government through its ambassador to Indonesia. [passage omitted]

Meanwhile, at a separate news conference yesterday, Brittan reiterated that the EU had asked Indonesia to review the country's automotive industry policy.

Brittan had also discussed telecommunications issues and the dumping of goods with Hartarto, Tunky Ariwibowo, and Joop Ave, tourism, post, and telecommunications minister.

"I told them clearly that the policy discriminated against European car makers," he told journalists.

According to Brittan, Indonesia explained that the exemptions from tax and tariffs imposed on imported components would last for three years, after which the WTO agreements would have to be complied with. Brittan argued, however, that the policy is contrary to Indonesia's commitment to the WTO.

He added that the policy can influence other sectors. Europe is waiting for Indonesia to show its commitment to a status quo pending developments.

Brittan admitted that the issue of Indonesia's car policy is not something unique. "Other countries, such as Brazil, have also experienced the same thing," he said.

He said: "I have told President Suharto and some ministers that Indonesia and Europe have common interests in seeing the WTO provisions strictly enforced." He added that Europe hopes that it will be able to prevent any unilateral act.

Indonesia: Bangkok Radio on Suharto's Banquet Honoring Banhan

BK2504044196 Bangkok Radio Thailand Network in Thai 0000 GMT 25 Apr 96

[FBIS Translated Excerpt] Yesterday evening, Prime Minister Banhan Sinlapa-acha and his delegation attended a banquet hosted by Indonesian President Suharto at the State Palace to honor the Thai prime minister on his official visit to Indonesia.

On this occasion, Prime Minister Banhan delivered a speech on the close and firm relations between Thailand and Indonesia. He said both countries have had a good understanding of each other in the past. Banhan said the Thai Government would support greater bilateral cooperation in various fields in the future. He gave assurances that Thailand is ready to promote and support both the government and private sectors of the two countries in order to further expand bilateral cooperation, especially in trade and investment. It is in this manner that the mutual benefits of the two countries will be served.

At 0900 today, the Thai prime minister is scheduled to hold bilateral talks with the Indonesian president and to attend the signing ceremony of a memorandum of understanding on countertrading. [passage omitted]

Indonesia: Suharto, Thai Premier Banhan Hold Private Talks

BK2504102096 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 25 Apr 96

[FBIS Translated Text] President Suharto and Thai Prime Minister Banhan Sinlapa-acha held a private meeting at Merdeka Palace in Jakarta this morning. Meanwhile, ministers and senior officials from the two countries held separate meetings elsewhere.

RRI correspondent Joko Saksono reports:

[Begin recording] [Joko] Following the meeting, Minister and State Secretary Mardiono briefed journalists on the outcome of the meeting.

Suharto and Banhan agree that every meeting among leaders, particularly ASEAN leaders, is very useful for updating information with each other and in seeking a consensus for expanding cooperation among nations. In addition, no one will be left behind in anticipating the rapid pace of development. Minister Mardiono gave a briefing on the agreement reached by the two leaders.

[Mardiono] The two sides agreed on several concrete issues. Thailand expressed its wish to exploit natural gas from Natuna Island under a joint project that we are going to develop. For this reason, senior officials

from the two sides will carry out detailed studies on the project.

[Joko] According to our correspondent Supardi, Murdiono said that Thailand expressed its interest in importing more coal from Indonesia to meet its energy demands. In addition, Thai businessmen also expressed their wish to participate in Indonesia's fishing industry. Officials from the two countries will hold follow-up meetings about this.

Murdiono said Thailand also wished to participate in a sugar processing plant in Indonesia and to buy two aircraft from the Nusantara Aircraft Industry, IPTN.

Following the meeting, the Thai guests left Jakarta for Yogyakarta to see the Borobudur Temple and Mendut Temple, where they will perform prayers. [end recording]

Vietnam

SRV: Sources: Top Official Arrested, Ousted From Politburo

BK2604025396 Hong Kong AFP in English
0236 GMT 26 Apr 96

[FBIS Transcribed Text] HANOI, April 26 (AFP) - The vice president of Vietnam's National Assembly, Nguyen Ha Phan, has been expelled from the ruling Communist Party politburo and is under house arrest, sources said Friday.

Phan was placed under house arrest several days ahead of a party meeting from April 12-20 that was preparing for a key congress of the ruling party expected in the coming months, the sources said.

The move is a dramatic turnaround in the fortunes of Phan, a conservative whose name had been raised as a possible successor to Prime Minister Vo Van Kiet.

Vietnamese authorities would neither confirm nor deny the expulsion of Phan from the Politburo, which the official joined in January 1994. He was ranked 16th in the 17-member body that makes all major political decisions.

No explanation has been given for Phan's removal but according to sources in Hanoi, one of the theories was the resurfacing of accusations that Phan could have given up the names of several communist guerrillas when he was interrogated by South Vietnamese police in the 1960s.

The Viet Cong guerrillas were subsequently killed.

The fact that such allegations should be resurrected more than 30 years on suggests intense political infight-

ing ahead of the Eighth Party Congress expected soon. The Congress is held every five years.

Phan, who comes from the southern province of Ben Tre, has been seen as a conservative in the Politburo, one of a number of people that believe rapid economic reforms could threaten the party's monopoly on power.

The 63-year-old official has spent most of his career in the south of the country. He joined the fight against French colonialism in 1945 and in the subsequent struggle against the South Vietnamese government was arrested and jailed from 1959-1963.

After the war he became head of the local government of Can Tho, the major city in the Mekong Delta.

In 1987 he was named vice chairman of the State Planning Committee lead at the time by Vo Van Kiet, a southerner who has been a driving force behind reforms.

He entered the Communist Party Central Committee in 1990 and joined its administrative secretariat a year later at the Seventh Party Congress.

Since 1992 he has been vice president of the National Assembly, once derided as a rubber-stamp but now seen as gaining power.

He joined the Politburo at a special mid-term congress in 1994, rising to one of the highest positions in Vietnam's political elite.

SRV: Foreign Ministry Confirms Expulsion of Politburo Member

BK2604093996 Hong Kong AFP in English
0929 GMT 26 Apr 96

[FBIS Transcribed Text] HANOI, April 26 (AFP) — The Vietnamese Foreign Ministry confirmed Friday that Nguyen Ha Phan, vice president of the National Assembly, was expelled from the Communist Party.

Phan, a member of the party's Politburo, "was expelled recently from the party for having committed serious mistakes in his past activities," a spokesman for the ministry said.

Earlier, sources indicated Phan, touted for more than a year as a possible successor to Prime Minister Vo Van Kiet, had been expelled from the Politburo and put under surveillance.

There was no official explanation for the expulsion of Phan but, according to sources in Hanoi, one of the theories was the resurfacing of accusations that Phan could have given up the names of several communist guerrillas when he was interrogated by South Vietnamese police in the 1960s.

The Viet Cong guerrillas were subsequently killed.

SRV: Counterfeit 100-Dollar Bills Found on 'Foreign' Ship

BK2504090296 Hanoi THOI BAO TAI CHINH in Vietnamese 4 Apr 96 p 7

[Report by Hai Yen]

[FBIS Translated Text] Ba Bo Cha Yaj Ma Na, a foreign-registered ship, transported 5,522 tonnes of sulfate from the Philippines to Danang Port, landing there on 26 January 1996. During the port call, a seaman purchased two bottles of champagne and paid the shop owner with a counterfeit 100-dollar bill. On the same date, the Danang Sea Navigation Materials Supply Company sold foodstuffs and soft drinks to the same ship, and the captain paid for the items with five counterfeit 100-dollar bills. The Quang Nam-Danang Province security service and border defence force conducted a joint search and found another \$12,000 in counterfeit 100-dollar bills aboard the ship.

SRV: Counterfeit Dong, Yuan Notes Found in Various Localities

BK2504063796 Hanoi CONG AN NHAN DAN in Vietnamese 13 Apr 96 p 1

[Report by P.Q.]

[FBIS Translated Text] Since early March 1996, 26 cases of the circulation and use of counterfeit notes have been reported by different localities. Thirteen people have been arrested. Investigations show that most of the counterfeit notes were brought in from China through different channels and people.

Public security forces have arrested one person for the transport of 2.13 million dong in counterfeit notes from Lang Son to Hanoi. They have also discovered in Ninh Binh and Soc Trang 6.88 and 9 million dong of counterfeit notes in 10,000-dong denomination, showing the EI check letter of the Vietnam State Bank.

The Quang Ninh Province public security force on 30 March 1996 arrested one person for using 7,400 yuan in counterfeit notes. The Quang Binh Province public security force on 4 April 1996 arrested Nguyen Thi Tam, born in 1954 and a resident of Quang Dong Village, Quang Trach District, for using 44,000 dong in counterfeit notes. They searched her house and seized the counterfeit notes worth 9.56 million dong in 10,000-dong denomination.

SRV: Counterfeit 100-Dollar Bills Found in Quang Tri

96P30172A Hanoi VAN HOA in Vietnamese 3 Mar 96 p 3

[FBIS Summary] On 15 January 1996, Le Si Quang and Phan Van Tinh from Thanh Hoa Province brought some 40 counterfeit hundred-dollar bills to buy gold at My Chanh Market in Hai Lang District, Quang Tri Province. When the owner of the jewelry store became suspicious of the two clients and alerted local public security, both buyers were arrested together with their counterfeit dollar bills.

SRV: Ho Chi Minh City New Security Director Appointed

96P30172B Ho Chi Minh City TUOI TRE in Vietnamese 28 Mar 96 p 1

[FBIS Summary] SRV Interior Minister Bui Thien Ngo announced on 23 March that a week earlier he had signed a decision to appoint Colonel Bui Quoc Huy [Buif Quoocs Huy] to be Ho Chi Minh City public security director, replacing Colonel Nguyen Huu Khuong who will assume a new assignment with the Interior Ministry. Huy assumed his new post on 25 March. Previous to the new assignment, the 52-year-old director was public security director of An Giang Province and most recently, head of the Security General Department. Minister Ngo also said that Colonel Than Thanh Huyen [Thaan Thanhf Huyeenf] has been appointed chief of the Ho Chi Minh City Police, replacing Colonel Tran Van Tao, former deputy director of the Ho Chi Minh City Public Security, who will be assigned to the Ho Chi Minh City Municipal Party Committee.

SRV: Paper Interviews Thai Foreign Minister

BK2504145196 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 19 Apr 96 pp 1, 5

[Interview with Thai Foreign Minister Kasemsamoson Kasemsi by Hong Son in Ho Chi Minh City on 18 April]

[FBIS Translated Text] Before leaving Ho Chi Minh City to conclude his official friendship visit to Vietnam, Thai Foreign Minister Kasemsamoson Kasemsi attended an exhibition on Thailand at the Cultural Youth Club in the city, where he granted an interview to SAIGON GIAI PHONG and other newspapers.

[Hong Son] Your Excellency, is there any significant change in the foreign policy of the new Thai Government as compared to that of the old government?

[Kasemsamoson Kasemsi] Thailand's foreign policy of straightforwardness is to support and assist one another.

There have been no changes in the foreign policy of the past four governments and in the present one. I would like to add that the present government of Prime Minister Banhan pays very special attention to Thailand's relations with neighboring countries; thus, it has adopted a more preferential policy toward these nations. The present Thai Government is a dynamic one, and it will immediately engage in all practical projects, if there are any. Through this, it will strengthen closer relations with neighboring countries.

[Hong Son] Some people have expressed concern over an economically strong Vietnam. What is your comment on this concept?

[Kasemsamoson Kasemsi] To help Vietnam is tantamount to helping an ASEAN country further develop. Vietnam, as a full member of ASEAN, has more conditions to develop itself into a prosperous nation, and this will contribute to a stronger and larger ASEAN. I would like to say that some people did express concern over a stronger neighboring country. For me, however, I prefer to see our neighbors wealthier so that they can contribute to making the region more prosperous. Naturally, competition may cause clashes. Yet it will also promote economic development, especially in the current international economic system.

[Hong Son] Could you please elaborate on some features of the Mekong River basin development program?

[Kasemsamoson Kasemsi] Countries involved in the Mekong River basin development program are Thailand, Vietnam, Laos, and Cambodia. The aim of the program is to effectively exploit the water resources in the interest of agriculture. Both the ASEAN summit conference and the ASEM [Asia-Europe Meeting] meeting last March stressed infrastructure development and other domains. At the conference, many delegates raised the transcontinental communication route project running from southern China to Singapore and then to Brunei. It connects Ho Chi Minh City with Thailand and links the latter with the capital of Myanmar [Burma] through a Thai province. The Friendship Bridge linking Thailand with Laos already exists, and there will soon be another bridge linking the two countries. The Southeast Asian nations have manifested their determination to accelerate economic development, while the European countries have recognized the economic growth of our region and have expressed their hope to participate in this program.

[Hong Son] What is the Thai Government's concept on resolving the overlapping sea area between Vietnam and Thailand?

[Kasemsamoson Kasemsi] The issue of the overlapping sea area between Thailand and Vietnam is not a unique issue. This is because there many overlapping sea areas in the world. In fact, several overlapping sea areas between Thailand and other countries have been resolved, such as those with Malaysia, Indonesia, Myanmar, and India. The world has the Law on the Sea, and various countries have declared their exclusive economic zones. We should not worry about the problem when we have a principle on this. The overlapping sea area between Thailand and Vietnam is not large; thus, we should resolve the issue purely on the basis of this principle. I believe it is not beyond our ability to resolve the problem.

SRV: Ukrainian President Interviewed, Calls SRV 'Reliable Friend'

BK2404155396 Hanoi QUAN DOI NHAN DAN in Vietnamese 8 Apr 96 pp 1, 4

[Interview with Ukrainian President Leonid Kuchma by correspondents Quang Loi and Manh Tuong in Kiev; date not given]

[FBIS Translated Text] Before leaving for Hanoi for an official friendly visit to Vietnam, Ukrainian President Leonid Kuchma granted an exclusive interview to QUAN DOI NHAN DAN correspondents in Kiev. We have the honor to present this interview to the readers. We also would like to extend our thanks to the SRV Foreign Ministry for making this interview possible.

[QUAN DOI NHAN DAN] Mr. President, this is your first official visit to Vietnam since Ukraine became an independent state. Why have you chosen you this time to visit Vietnam and what are the aims of your visit?

[Kuchma] The Asia-Pacific is considered a strategic region in the Ukraine's foreign policy. Today, countries in this region are making marvelous progress in economic development and I am sure that this region will play an important role in the 21st century. The shifting of Asia-Pacific into a dynamic political region in the near future will usher in a new "Pacific Era," and Ukraine does not want to stay away from this development.

We realize that Vietnam is playing an important role in the Asia-Pacific region. Vietnam's internal and external policies have ensured a high level of prestige for the country not only in the region but also in the international arena. Indeed, Vietnam has played a constructive role in the activities of ASEAN and in the economic cooperation of the Asia-Pacific region. As an ASEAN member, Vietnam supports the signing of a treaty to turn Southeast Asia into a nuclear free zone. We have also highly appraised Vietnam's realistic moves in expanding relations with countries in other regions. Vietnam's

signing of a cooperation agreement with the EU last year was an example of this. To sum up, we admire the far-sighted, brilliant, realistic, and peace-loving foreign policy of Vietnam.

In particular, Ukraine is paying special attention to Vietnam's experiences in implementing the market economic reform. This is because Vietnam has now attained the highest economic development rate in the world while the nation's inflation and budget deficit are declining and its export index is increasing.

With these developments and as a result of certain fundamental points in its foreign policy, Ukraine considers Vietnam as a reliable friend with great potential. It is necessary to note that the aspiration of our two countries is to consolidate and expand cooperation in the political and economic domains. The history of the relations between Vietnam and Ukraine during the past several decades shows that the two countries enjoy sufficient, essential conditions to continue this extensive cooperation. In fact, Ukraine and Vietnam have shared close and harmonious views on many fundamental international issues. These are favorable conditions for coordinating our activities at various international organizations and in the international arena.

Obviously, reality has shown the necessity for Ukraine and Vietnam to establish closer relations. This is the fundamental concept behind the aims of my visit to Vietnam, which is a friend of Ukraine.

[QUAN DOI NHAN DAN] Your Excellency, what is your appraisal of the potential for cooperation between these two traditional partners, Vietnam and Ukraine, and in which domain do the two sides have great potential for cooperation?

[Leonid Kuchma] We believe particularly that there are very great potentials for consolidating cooperation between the two countries in all domains, namely, the political, economic, scientific- technological, and humanitarian fields. Most importantly, we consider this cooperation as a very significant factor for the interests of the two nations.

In the economic domain, for instance, there are a series of objective factors underlining the concern of both Ukraine and Vietnam to expand cooperation. First, there are the valuable experiences accumulated during the past several years in the relations of the two countries and the dozens of projects built in Vietnam with the participation of Ukrainian specialists, many of them still under construction. Another favorable factor is that the economies of the two nations share similarities in technical standards, applied industries, market commodities, and services.

It would be unwise if we did not optimally exploit the historical background to consolidate and develop the relations between Ukraine and Vietnam, especially in the fields of energy, geological survey, mineral ore exploitation, infrastructure building, modernization of machinery manufacturing, and chemical production. Various Ukrainian enterprises are also ready to cooperate effectively with their Vietnamese counterparts in the investment domain.

I would like to emphasize here that we must encourage all economic components to participate in this cooperation without depending on the form of ownership. What is important is that we must create the necessary conditions for cooperation in order to attract the attention of both the state and businessmen. This requires extensive economic reform in the two countries. We support Ukrainian-Vietnamese joint ventures in the hope that they will benefit our nation and will help strengthen the economic potential of each's country.

In my view, both Ukraine and Vietnam are dissatisfied with the their current volume of trade. It is necessary to actively work toward expanding the range of barter goods if we are to bring about stability and order in the area of foreign trade between the two countries.

Another important area of cooperation is science and technology. Various scientific establishments in Ukraine have prepared and handed over to the Vietnamese side a list of scientific and technological cooperation programs for joint implementation. Agreements have been reached on various joint research projects to be carried out at the time being and in the long run.

[QUAN DOI NHAN DAN] Could you tell the Vietnamese readers about the actual situation of the Ukrainian economy at present and some achievements recorded by the Ukrainian people during the reform process?

[Kuchma] Ukraine is in a process of radical change that is full of complexity and contradictions. This is the process of shifting from a planned, bureaucratic, and centralized economy into a multisectoral market economy, the essence of which is to effect a radical change in ownership relations. We are heading toward a society of owners. This is because we believe that only such a society can bring about high living standards for the people and can provide them with appropriate social security benefits.

Ukraine's economic reform has been carried out in accordance with a number of strategic orientations such as liberalizing the economy and stabilizing the macro economy along with efforts to contain inflation and reduce the budget deficiency. Privatization is at last being

regarded as an essential condition for improving production results and the process of economic restructuring.

I would like to further add that 1995 was the first prosperous year since I became president. Basically, we have made progress along the aforementioned direction. A recent annual presidential message to the parliament—in which there was an analysis of the results of the economic policy—pointed out that 1995 was an overseas-oriented year for Ukraine. Although various crisis factors have yet to be completely stamped out, we can say with confidence that a host of positive and stabilizing factors has existed in the Ukrainian economy.

[QUAN DOI NHAN DAN] Ukraine and Vietnam are now in the process of economic reform. In your view, what experience can the two countries learn from each other and what should be avoided in the various steps of renovation?

[Kuchma] Ukraine and Vietnam share many things in common in terms of their past. This lead to a situation in which there are many things in common found in the issues now facing the two countries.

Experiences accumulated by the two countries in the process of renovation are of course very useful. But it is essential that we find appropriate forms for the exchange of our positive experiences. Ukraine is ready for such a cooperation. During our upcoming talks with Vietnamese leaders, we will discuss this issue so as to find out appropriate approaches.

For us, the question of studying the experiences obtained by Vietnam in attracting foreign capital investment, in setting up processing zones, in achieving cooperation with international financial institutions, and in protecting home-made goods under conditions of trade liberalization will be very useful and interesting.

What should be avoided in the process of renovation is the creation of extreme social tension. The Ukrainian leadership has always asserted that renovative measures are not an ultimate goal, because they are aimed—sometimes with a degree of pain—at ensuring prosperity for every citizen and creating a society in which every person has all the internationally recognized rights.

Australia

Australia: Australia, Indonesia Plan for Nuclear Technology Exchange

LD2404143196 Melbourne Radio Australia
in English 1230 GMT 24 Apr 96

[FBIS Transcribed Excerpt] The Australian Government has been accused of being overly secretive about preparations for a nuclear technology exchange arrangement with Indonesia. Indonesia is looking at starting a nuclear energy program which would see nuclear reactors built and ready for operation in about 10 years. Indonesian activists, who have asked the Australian Government to release more information about the program, say they are getting nowhere; and Greenpeace says if the Indonesian Government decides to go ahead with the program, it will endanger its own people and other countries in the region. The group says the Howard government should make the details of the technology exchange negotiations public. Matt Brown:

[Begin recording] [Brown] The Indonesian Government is considering its future energy needs and could start building nuclear reactors before the turn of the century. A group of nongovernment organizations, including Greenpeace, is trying to motivate opposition to the program throughout the region. Maria Buckpalm from the International Forum on Indonesian Development says she is disappointed there is little public information available about Australia's plans to share information on nuclear technology with Indonesia. [passage omitted]

Maria Buckpalm claims the nuclear energy program could be replaced by other energy sources and will add around 12 percent to Indonesia's debt burden. She says opposition to the program within Indonesia is small, but developing. [passage omitted]

Jean McSorley from Greenpeace says she wants to see Australia's role in Indonesia's nuclear energy plans discussed more openly:

[McSorley] Well, under [former Foreign Minister] Gareth Evans, this agreement was afforded treaty status, which he claimed meant it didn't have to be discussed. However, the coalition [the new government] have indicated that such agreements under them would be subject to some form of parliamentary scrutiny, and we're hoping that they will take that through.

[Brown] But have you questioned people within the bureaucracy, within [word indistinct], closely about the agreement and what is proposed?

[McSorley] Over the years, we have tried very hard to get the information out of Foreign Affairs about what exactly this agreement covers, and we have got

some idea of what it covers — you know: radiation health, radioactive waste issues, technology transfers. Unfortunately, the agreement is closed to all but a very small number of bureaucrats and diplomats and even ministers, so they have been very cagey in what they have said about it. But it is quite obvious that even discussion of it makes them very nervous. [end recording]

Australia: Defense Minister on Treaty With Indonesia, Nuclear Arms

BK2204021196 Melbourne Radio Australia
in English 1100 GMT 21 Apr 96

[FBIS Transcribed Text] The defense minister, Ian McLachlan, has reaffirmed that Australia will honor a security treaty signed with Indonesia by the former Labor Party government. The treaty, revealed last December after being negotiated in secret, permits the two countries to consult with each other when either or both are adversely challenged and to consider joint responses. It also promotes security, cooperation, and ministerial consultations over common security interests.

Mr. McLachlan, speaking in a television interview, said the treaty was really a memorandum of understanding and there was nothing wrong with it. However, he also said Australia was unhappy with proposed restrictions by Jakarta on shipping routes through the Indonesian archipelago and the two governments were discussing the issue:

[Begin McLachlan recording] We are not happy with the restrictions that are being proposed, and we will be discussing them and are discussing the matter with the Indonesians. We would like more access, obviously.

One of the things I suppose you could say that has borne out of the treaty is that conversations of this sort and perhaps even disagreements of this sort will be a sort of lesser issue than the more important issue of security and cooperation. [end recording]

[Hong Kong AFP in English at 0442 GMT on 21 April adds: "Australian Defence Minister Ian McLachlan ruled out Sunday any possibility of Australia developing nuclear weapons. Former governor-general Bill Hayden had suggested in his recently published autobiography that Australia should consider acquiring nuclear capability, but McLachlan firmly discounted the idea. 'It's just not a possibility,' he said in a television interview. 'It was discarded many, many years ago when there may well have been a possibility — I mean, 30 years ago — and it's not a possibility for the future.' McLachlan said in the current atmosphere of nuclear disarmament around the world, Australia had no intention of starting to develop nuclear arms."]

Australia: Concern Expressed for Nuclear Accord With Indonesia

BK2404032596 Sydney THE SYDNEY MORNING HERALD in English 24 Apr 96

[Article by Leigh Dayton — received via Internet]

[FBIS Transcribed Text] The federal government is considering a nuclear cooperation agreement with Indonesia, first mooted by the Labor government in 1990, the minister for science and technology, Mr. Peter McGauran, confirmed yesterday.

But environment group Greenpeace warned that nuclear power posed serious environmental and health implications for Australia, as well as Indonesia.

And a seismologist with the Australian Geological Survey in Canberra, Mr. Kevin McCue, confirmed that Indonesia is "one of the most active plate boundaries on Earth". Three plates, slabs of the planet's crust, collide beneath Indonesia, triggering earthquakes and volcanic activity.

"The main risk is from a moderate-sized shallow earthquake very near the [reactor] site. They don't happen very often but there is definitely a chance they will happen."

Greenpeace's nuclear campaigner, Ms. Jean McSorley, said that, depending on weather conditions, radioactive fallout from a major nuclear reactor accident could spread as far as Perth, contaminating crops and livestock.

Australia: Howard Reaffirms Commitment to Asia-Pacific Ties

BK1804092196 Melbourne Radio Australia in English 0500 GMT 18 Apr 96

[FBIS Transcribed Text] Australia's prime minister, John Howard, has reinforced his commitment to Australia's relations with the Asia-Pacific region. Speaking in Sydney at the launch of a new magazine by the Australian National University called The Asia-Pacific Magazine, Mr. Howard said no one can doubt his commitment to the region.

[Begin Howard recording] You know I have been saying to all of you who are concerned about the future of Australia's relations with the region, that my government's commitment to those relations is very strong and firm. It will as the months unfold, I think, surprise a few people, but we intend to do our work in relation to that association in our own way and in our own time. [end recording]

Australia: Foreign Minister Downer Upbeat on Asian Visit

LD2204113296 Melbourne Radio Australia in English 0900 GMT 22 Apr

[FBIS Transcribed Text] The Australian foreign minister, Alexander Downer, claims his first official Asian visit was a great success. Mr. Downer says he has convinced Thailand, Singapore, and Indonesia that his government's highest foreign policy priority is closer ties with the region. Evan Williams reports that Mr. Downer also received strong signals of support from the three countries for Australia's participation in the next Asia-Europe summit in London in 1998.

[Begin Williams recording] Although not predicting Australia will attend the next summit, Mr. Downer says all three Asian nations support Australia's participation, with Thailand inviting Australia to apply quickly. But it is yet to be seen if they will actively lobby opponent Malaysia on Canberra's behalf, although it is believed Singapore is looking at strategies to help bring Australia in.

Mr. Downer told Thailand Australia supports India joining the ASEAN [Association of Southeast Asian Nations] Regional Forum security meeting, as long as east Asian security remains the focus. He pushed Thailand to liberalize access for Australian financial institutions, but claimed a strong start to personal links with Thai leaders.

Evan Williams, Bangkok. [end recording]

Australia: Downer Rejects SRV Warning Against Damage to Ties

BK2204094496 Melbourne Radio Australia in English 0500 GMT 22 Apr 96

[FBIS Transcribed Text] Australia's foreign minister, Alexander Downer, has rejected warnings from Vietnam that stopping an aid project to build a bridge across the Mekong river could damage relations. Evan Williams reports Mr. Downer says the government listens first to the views of the Australian people and they don't support such projects as very good aid.

[Begin Williams recording] In the government's first foreign policy test, Mr. Downer has revealed commitments to pay \$55 million towards an \$80 million bridge in southern Vietnam. Mr. Downer said he had never thought such projects as very good aid, with money better spent on grassroots as small business projects. Vietnam's ambassador to Australia has warned scrapping the project might damage relations. Mr. Downer says the government will take into account Vietnam's sensitivities but it must see first to the Australian people and on the whole, they don't think this type of project is very good aid. He will make a decision by August on whether Australia is obliged to go ahead with the scheme or to pull out of building the bridge. [end recording]

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